GENERAL MOTORS ANNUAL REPORT 1982

BUICK ELECTRA PARK AVENUE Sedan

HIGHLIGHTS

(Dollars in Millions Except Per Share and Hourly Amounts)	1982	1981	1980
Sales of All Products			
United States operations			
Automotive products	$47,391.2	$48,803.5	$42,812.0
Nonautomotive products	2,138.9	3,233.1	3,456.9
Defense and space	793.8	716.9	655.6
Total United States operations	50,323.9	52,753.5	46,924.5
Canadian operations	7,972.6	8,846.4	8,094.7
Overseas operations	12,212.8	11,870.5	12,111.1
Elimination of interarea sales	(10,483.7)	(10,771.9)	(9,401.8)
Total	$60,025.6	$62,698.5	$57,728.5
Worldwide automotive products	$56,676.8	$58,384.6	$53,173.0
Worldwide nonautomotive products	$ 3,348.8	$ 4,313.9	$ 4,555.5
Worldwide Factory Sales of Cars and Trucks (units in thousands)	6,244	6,762	7,101
Net Income (Loss)			
Amount	$ 962.7	$ 333.4	($ 762.5)
As a percent of sales	1.6%	0.5%	(1.3%)
As a percent of stockholders' equity	5.3%	1.9%	(4.3%)
Earnings (Loss) per share of common stock	$3.09	$1.07	($2.65)
Dividends per share of common stock	$2.40	$2.40	$2.95
Taxes			
United States, foreign and other income taxes (credit)	($ 252.2)	($ 123.1)	($ 385.3)
Other taxes (principally payroll and property taxes)	2,470.3	2,505.5	2,248.8
Total	$ 2,218.1	$ 2,382.4	$ 1,863.5
Taxes per share of common stock	$7.22	$7.97	$6.37
Investment as of December 31			
Cash and marketable securities	$ 3,126.2	$ 1,320.7	$ 3,715.2
Working capital	$ 1,658.1	$ 1,158.8	$ 3,212.1
Stockholders' equity	$18,287.1	$17,721.1	$17,814.6
Book value per share of common stock	$57.64	$57.21	$58.82
Number of Stockholders as of December 31 (in thousands)	1,050	1,138	1,191
Worldwide Employment*			
Average number of employes (in thousands)	657	741	746
Total payrolls	$17,043.8	$19,257.0	$17,799.0
Payrolls as a percent of sales	28.4%	30.7%	30.8%
Total cost of an hour worked—U.S. hourly employes	$21.50	$19.80	$18.45
Property			
Real estate, plants and equipment—Expenditures	$ 3,611.1	$ 6,563.3	$ 5,160.5
—Depreciation	$ 2,403.0	$ 1,837.3	$ 1,458.1
Special tools—Expenditures	$ 2,601.0	$ 3,178.1	$ 2,600.0
—Amortization	$ 2,147.5	$ 2,568.9	$ 2,719.6
Total expenditures	$ 6,212.1	$ 9,741.4	$ 7,760.5

*Includes financing and insurance subsidiaries.

CONTENTS

COVER: The entrance to GM's "World of Motion" exhibit in EPCOT Center at Walt Disney World near Orlando, Florida (story on pages 12-13) serves as the perfect setting for Chevrolet's restyled 1984 Corvette.

The Annual Meeting of Stockholders will be held at 9:00 a.m. on Friday, May 20, 1983 in Detroit, Michigan.

It is expected that proxy material will be sent to stockholders beginning about April 15, 1983, at which time proxies for use at this Meeting will be requested.

Principal Offices

General Motors Corporation
(a Delaware Corporation)
3044 West Grand Boulevard
Detroit, Michigan 48202

767 Fifth Avenue
New York, New York 10153

Stock Transfer Offices

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

National Trust Company Limited
21 King Street, East
Toronto, Ontario M5C 1B3, Canada

National Trust Company Limited
1350 Sherbrooke Street, West
Montreal, Quebec H3G 1J1, Canada

The following materials are available for distribution to stockholders:

S.E.C. Form 10-K
Common stockholders (including beneficial owners) may obtain a copy of the General Motors Corporation Annual Report to the Securities and Exchange Commission on Form 10-K after April 1, 1983.

1983 Public Interest Report
GM's 13th successive annual accounting of its programs, progress, and goals in various areas of public interest will be available in a booklet, "1983 General Motors Public Interest Report," about April 1, 1983.

Tape Recording of 1982 GM Annual Report
A cassette tape recording of major portions of the 1982 Annual Report is available at no charge for distribution to handicapped persons.

Pricing Information
Detailed pricing information for 1983-model GM cars and selected options (Manufacturer's Suggested Retail Prices, U.S.) is available.

Requests specifying the materials desired should be sent to:
General Motors Corporation, Room 11-229, General Motors Building, 3044 West Grand Boulevard, Detroit, Michigan 48202 (313-556-2044)

Roger B. Smith F. James McDonald

The year 1982 was another year of mixed economic results. While both inflation and interest rates declined significantly, the long-sought upturn in economic activity did not occur. As a result, industry deliveries of passenger cars and trucks declined for the third straight year. Nevertheless, General Motors continued to gain in many important areas. Despite the drop in volume, our profits improved, reflecting determined efforts in cost control. In addition, we achieved significantly better quality in our products through improvements in the manufacturing of existing products and in the design of new products. Importantly, 1982 marked a new beginning in our relations with our employes as we negotiated a new labor agreement, far in advance of the expiration of the old agreement. These and other gains more than offset the discouraging economic conditions so that 1982 was a year of progress and of improved prospects for General Motors.

GM's worldwide factory sales of 6.2 million cars and trucks were down about 8% from 1981, and GM's factory sales of 4.0 million units in the United States were off 12% from 1981. However, due to the improvement in efficiency of the operating units and the profitability of its financing and insurance operations (General Motors Acceptance Corporation and Motors Insurance Corporation), the Corporation closed out 1982 with earnings well above 1981 earnings, despite the lower factory unit volume. Similarly, 1981 profit was earned on a unit volume which was 5% lower than that attained in 1980 when General Motors sustained a loss.

Maintaining profitability in all four quarters, GM closed out 1982 with earnings of $962.7 million, or $3.09 per share of common stock. This is an improvement of $629.3 million, or $2.02 per share, over 1981. The two-year improvement since 1980 is $1,725.2 million, or $5.74 per share, with volume 857,000 units lower.

Substantial as this progress has been, 1982 earnings were only 1.6% of sales. Better than the 0.5% return on sales in 1981, it nonetheless is far below the level of capital generation needed to operate the business successfully over the long term.

Still, General Motors has continued to pay a modest dividend while meeting the enormous demands for capital funds for the Corporation's product and facility programs. On the surface, it might appear prudent to pull back from such extensive investments during difficult economic times, but commitment to a more competitive stance in today's global automotive market could not wait for the return of more normal times. Thus, in the context of the times, payment of a dividend—even at the 60-cents-per-share rate maintained since the second quarter of 1980—reflects a strong and abiding commitment to the stockholders of General Motors. It also reflects the confidence of your Board of Directors in GM's present strength and future prospects.

General Motors' overall improvement made in the last two years is a measure of the leaner, tougher—and better—Corporation we are building. Granted, this process is not complete; indeed, the work of creating and rebuilding must always go on. But we are confident that in continuing to face our management responsibilities squarely, we can control what your Corporation must become. We will continue to be unrelenting in the pursuit of cost reduction, unwavering in our insistence on improved product quality necessary to customer satisfaction, and untiring in building on a new spirit of cooperation among all GM people.

Slower growth of our costs following renegotiation of labor contracts and improved operating efficiencies were principal factors permitting us to reduce or hold prices on more than half of our 1983 passenger car lineup in the United States.

Overseas, our confidence is reinforced by the introduction of the all-new Opel Corsa, the smallest and most fuel-efficient gasoline-powered car ever offered by General Motors. Assembled in Spain, it is targeted for sale across Europe as a challenger in the overseas small-car group where GM has not been represented

before. We expect the Corsa to accelerate the sales turnaround and increased penetration which GM was achieving in Europe in 1982 even before the Corsa's debut in November.

The efforts we are making to improve product quality represent a combination of the best of our technical resources and the best of our human resources. The outlay for new plants, new tools, and new products is the technical investment, just as enhancing the quality of work life and fostering the new climate of cooperation in the workplace are part of the even more important human investment which remains one of our biggest competitive assets. We are pleased to report that representation of minorities and women in GM's work force remained strong during 1982 despite an overall reduction in the Corporation's U.S. employment.

So General Motors, pursuing a flexible strategy of adaptation to change, is ready for the economic turnaround. We have all looked for that turnaround too often—only to be disappointed—for us to try to predict the exact timing or rate of recovery. Still, the process does appear to have begun. Customer confidence and sales were improving as 1982 ended on a strengthening note. In fact, more than 21,400 GM employes on indefinite layoff are being called back to work as a result of production schedule increases at seven of GM's U.S. car and truck assembly plants. Even a conservative view suggests 1983 should see an emergence from the prolonged recession. Inflation and interest rates at only half of what they were two years ago lend substance to these expectations.

However, unemployment remains unacceptably high; one American worker in every ten has no job. Prior to the Christmas holiday, we identified nearly 100,000 laid-off General Motors hourly and salaried employes in the United States who had exhausted their GM layoff benefits and still had not found regular employment. In an unprecedented action, taken with the cooperation of the UAW, a special holiday payment of $300 was made to these laid-off employes. It was no substitute for a job, but it told them that we care.

Then, in January 1983, GM and its employes in 73 communities throughout the United States launched a food donation program to help the less fortunate. The eight-week "GM Care and Share Program"—undertaken with the wholehearted support of the UAW, IUE, and other unions—was our response to unprecedented economic pressures and prolonged unemployment that left many people unable to meet basic needs.

These GM-UAW joint activities serve to underscore the new spirit which surfaced in the labor agreements reached in the spring of 1982. This new spirit, which is critical to GM's continued success, continues to grow in General Motors today.

Meanwhile, we remain hopeful that GM will be able to provide additional jobs in the future as market conditions improve. In this regard, negotiations have taken place with the Toyota Motor Corporation of Japan concerning production of a small car at GM's Fremont, California plant, which has been closed since March 1982. Such an agreement will add an estimated 12,000 jobs in the United States and help us be competitive at the lower end of the product offerings. [A memorandum of understanding to form a joint venture with Toyota was signed in a ceremony at the plant on February 17, 1983. Details are on page 7.]

1982 was a disappointment in the implementation of government policy. The failure of the Federal Government to adequately curb the growth in Federal spending kept the financial markets and the general public in a cautious, uneasy mood, contributing to the unsettling economic conditions. The greatest single contribution the Administration and Congress can make is to provide the policies that lead to a stronger and more stable economy.

Still other ways in which government can help are to work to correct those policies that contributed to the maintenance of an unrealistic relationship between the dollar and the Japanese yen during most of 1982 and to reduce regulation of industry. In the case of the automobile industry, regulation continues to have a severe impact on vehicle costs and prices.

But, in any case, we will not be deterred in our dedication to serve the customer better than anyone else. We have embarked upon a milestone year—our seventy-fifth—confident your Corporation is capable more than ever of continuing to provide the best in personal transportation—and mindful in so doing that your interests as stockholders be served and our commitment to social responsibilities be maintained. GM came on the scene in relative obscurity in 1908, but rose to world pre-eminence and leadership. Our goal and our pledge to you is simple: to keep General Motors number one.

Roger B. Smith

Chairman

F. James McDonald

President

Worldwide retail sales of General Motors vehicles in 1982 totaled about 6.6 million units, a decrease of 2% from the 1981 total. On the positive side, this decrease reflects an accelerating sales rate in the latter part of the year which steadily narrowed the difference between the 1981 and 1982 retail sales totals.

Worldwide retail sales by all manufacturers* totaled approximately 33 million units in 1982. General Motors accounted for 20% of this worldwide total, the same as in 1981.

Retail Sales in the United States

The recession and consumer concern over high interest rates and prices continued to be major factors which adversely affected new car sales in the United States.

*Estimated data exclude the Soviet Union, parts of Eastern Europe, and the People's Republic of China. Combined vehicle sales in these areas were estimated to be approximately 4 million units in 1982.

Industry-wide new car and truck sales in the United States for 1982 totaled 10.5 million units. This was a 2% decrease from 1981. Sales of foreign-sponsored cars and trucks accounted for 2.5 million units, or 24% of United States sales, compared with 25% in 1981.

General Motors dealers sold over 4.5 million new cars and trucks in the United States in 1982, down from the 4.6 million units sold in 1981. The total consisted of 3.5 million passenger cars, which was a decrease of 7% from the units sold the preceding year, and 1.0 million trucks, which was an increase of 23% from 1981 sales. Increased truck sales reflected strong consumer acceptance of GM's compact pickup models introduced in the fall of 1981 and in 1982.

General Motors attained 43% of the total combined United States car and truck sales in 1982, the same as the year before.

GM Pricing and Vehicle Financing

General Motors announced on August 31, 1982 that it was reducing or holding the line on average base list prices, in relation to comparable 1982 models, on more than one-half of its 1983 U.S. passenger car models. Reductions on 38 models ranged from $250 to $1,500, and average prices on 26 models remained essentially unchanged. Most other 1983 models were priced only moderately higher than comparable 1982 models, reflecting increases that were less than the inflation rate. This significant pricing action was designed to promote an early sales recovery, while holding down inflation.

Average base list prices of comparably equipped Chevrolet Celebrity, Pontiac 6000, Oldsmobile Ciera, and Buick Century models were reduced by $250, Oldsmobile Firenza and Buick Skyhawk were reduced by $400, and Chevrolet Cavalier and Pontiac 2000 were lowered

OLDSMOBILE CUTLASS CIERA LS Coupe

by $500. The Cadillac Seville was reduced by $1,500, and added equipment without corresponding price increases effectively lowered the price of the Cadillac Cimarron by over $400.

Another area of price reduction was the lowering of the list price of certain optional diesel engines on passenger cars by up to $275. In addition, the warranty for diesel engines on 1983 passenger cars and light-duty trucks was extended to 36 months or 50,000 miles.

General Motors announced three far-reaching new vehicle financing programs in 1982 and 1983. General Motors Acceptance Corporation offered a 12.8% financing rate, which was effective April 1, 1982 on vehicles delivered by May 31, 1982. On November 1, 1982, a financing rate of 10.9% was introduced. This rate was in effect through December 31, 1982 and applied to deliveries of 1982 models. The programs were offered through participating GM dealers and were intended to reduce dealer inventories and stimulate increased sales demand.

Currently, GMAC is offering through participating dealers an 11.9% retail financing rate program, effective January 1 through March 31, 1983, on deliveries of new 1982 and 1983 model passenger cars and light-duty trucks. In addition, vehicles ordered by a retail customer by February 28, 1983 are also eligible. This financing program is designed to maintain recent sales momentum and further stimulate sales activity.

Retail Sales in Canada

High interest rates and a declining economy continued to affect sales of passenger cars and trucks in Canada during 1982. Industry-wide retail sales of 920,000 vehicles declined 23% from 1981. Foreign-sponsored imports gained 3 percentage points in penetration, from 24% of industry deliveries in 1981 to 27% in 1982.

Retail sales of cars and trucks by GM dealers in Canada totaled 327,000 units, a decrease of 33% from 1981.

General Motors vehicles accounted for 36% of all new cars and trucks sold in Canada in 1982, compared with 1981 penetration of 41%.

Dollar sales in 1982 by General Motors of Canada Limited, expressed in U.S. dollars, totaled $7.8 billion, down 11% from the 1981 record of $8.7 billion.

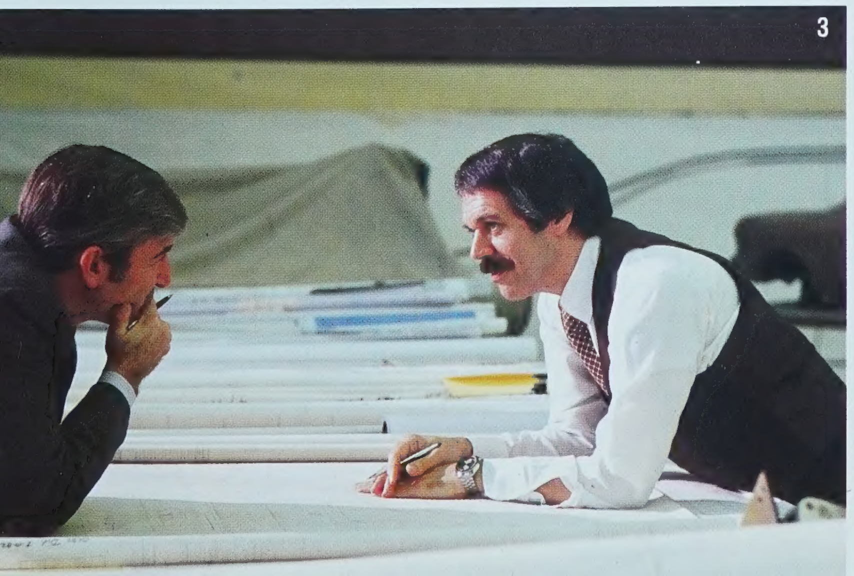
GM Stronger Overseas

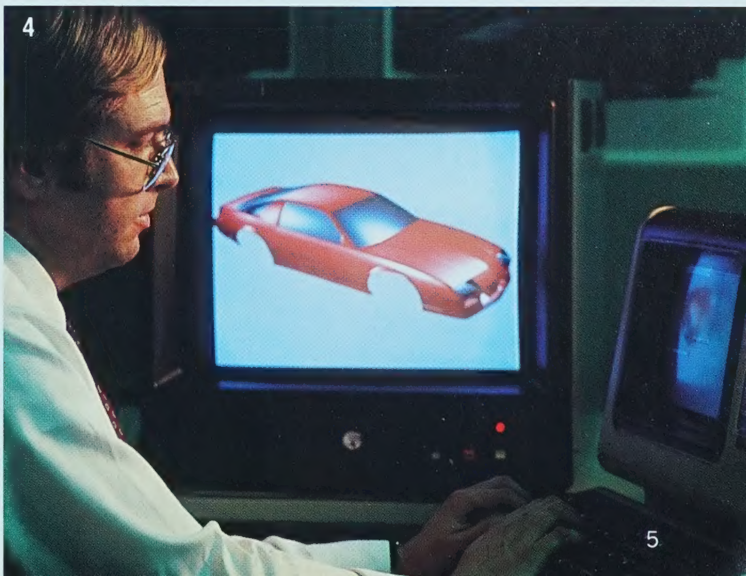
GM's performance in Europe helped the Corporation withstand a third consecutive year of declining international automotive sales. Overseas, retail sales of General Motors vehicles totaled 1.7 million units, including 1,432,000 cars and 304,000 trucks, an increase of 7% from 1981. GM accounted for nearly 8% of overseas industry sales, up slightly from 1981.

GM People at Work...

No corporation can be successful without the dedication and cooperation of its employes. The photographs shown throughout this report depict the diversified talents of GM's most important asset—its people.

(**1**) A science assistant at the Research Labs evaluates a computer print-out to determine the effectiveness of pellets used in catalytic converters. (**2**) Using a laser, a scientist at the Research Labs studies diesel engine exhaust in an exploration of how particulate matter—the visible portion—is formed. (**3**) At the Design Staff, the blueprint of a future GM product is being discussed. (**4**) A Research Labs computer scientist works on a program called GMR AUTOCOLOR, which will aid body designers. The computer will display a realistic image of a new design and show how it will look under different lighting conditions before a scale model is ever made.





Total industry vehicle sales outside the United States and Canada fell to 21.7 million units, a 2% decrease from 1981. Although world fuel prices stabilized somewhat in 1982, high interest rates and restrictive monetary and fiscal policies continued to affect demand in most areas of the world.

In Europe, General Motors marked the completion of a major, three-year expansion program in 1982 highlighted by new manufacturing and assembly facilities and the introduction of the small, fuel-efficient Opel Corsa.

Sales by GM subsidiaries in Europe showed definite signs of recovery and General Motors remains confident of the long-term future of the European automobile industry. The debut of the aerodynamic Corsa and the completion of new plants in Spain and Austria give General Motors a full line of products and new or expanded facilities to meet anticipated future growth.

The new GM Espana plant at Figueruelas (near Zaragoza) has a capacity of 270,000 Corsas per year. GM Espana, supported by Fisher Body Division, also began operations at a components plant at Agoncillo (near Logrono), and GM Componentes, supported by two U.S.-based components divisions (Saginaw Steering Gear and Delco Products), dedicated two plants at Puerto Real (near Cadiz).

Also in 1982, GM Austria began producing engines and transmissions at newly constructed facilities at Aspern (near Vienna). Other facility investments to improve GM's competitive position in Europe were made in Belgium, France, the Federal Republic of Germany, Northern Ireland, and Portugal.

Total GM European retail sales amounted to 1,035,000 cars and trucks, an increase of 16% from 1981. This represented a GM penetration of 9% in Europe, compared with about 8% in 1981. Sales in the Federal Republic of Germany increased to 393,000 units, 3% above 1981, and sales in the United Kingdom totaled 220,000 units, 39% above 1981. The popularity of the new front-wheel-drive Opel Ascona and Vaux-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GM People at Work...

(**1**) At the console of the wind tunnel at the GM Technical Center, a technician/operator in Current Product Engineering monitors a test of the aerodynamics of the new Chevrolet Corvette. Smoke makes the air flow visible. (**2**) Evaluating an upholstery fabric is an interior designer. Coordinating the interior of a car with the exterior is a basic activity of the Design Staff. (**3**) A systems technician using a scriber makes cuts to precise depths to ensure accuracy and guide the sculptor (left) in the construction of a full-size clay model. A key element in the design process, the clay model finished in minute detail becomes the basis for engineering drawings from which to build a car. (**4**) A project engineer in Manufacturing Engineering and Development programs a control device operating the arm of a robot. The precise, untiring movements of robots help assure quality in the manufacturing process itself.

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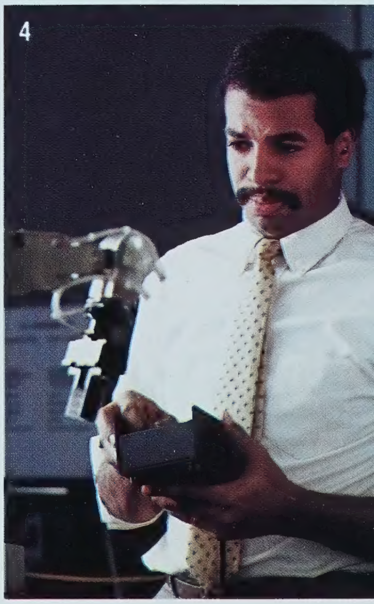


CHEVROLET CAVALIER CL Convertible

hall Cavalier, introduced in late 1981, was largely responsible for this improvement. These models accounted for about 15% of European sales in their class. Opel Kadett and Vauxhall Astra sales in the smaller car class also were strong.

In Latin America, despite the area's severe economic climate, General Motors sales totaled 326,000 cars and trucks, a slight improvement over 1981. With this sales volume, GM's penetration increased to 18% in 1982, compared with 16% in 1981.

Sales by GM in Brazil increased 20% in 1982, to 166,000 units. This improvement resulted primarily from the introduction in May of the new front-wheel-drive Chevrolet Monza as well as the restyled Chevette introduced late in the year.

Although GM sales in Venezuela decreased 4% in 1982, to 65,000 units, GM was the sales leader in Venezuela for the third consecutive year. GM sales in Mexico were down 9%, to 55,000 units, compared with 1981, although penetration increased slightly. Business activity has been limited by currency devaluations and other government measures aimed at correcting Mexico's financial problems.

In the Middle East and Africa, General Motors sold 161,000 vehicles in 1982, a decrease of 18%. GM sales in South Africa of 40,000 units represented a 25% decrease from the record set in 1981.

In the Asia/Pacific region, sales of 207,000 units represented a slight increase over 1981. In Australia, General Motors' 1982 sales and penetration were about the same as in 1981. The introduction at GM-Holden's of the new front-wheel-drive Camira contributed to 1982 results. It is expected to be a very strong entry in the markets of Australia and New Zealand.

Joint Venture With Toyota

General Motors and Toyota Motor Corporation have reached an agreement in principle to form a joint venture to produce a small Chevrolet automobile in the Fremont, California assembly plant previously operated by GM. A front-wheel-drive subcompact, the car will include specific U.S. design features and about half of its content will be American in origin.

Some 3,000 persons are expected to be employed in the operation, which will include the construction of a new stamping plant adjacent to the assembly facility. In addition, an estimated 9,000 other U.S. jobs could be generated as a result of this joint venture.

Production is scheduled to begin in the 1985 model year. The agreement calls for production of some 200,000 cars a year for up to 12 years.

A memorandum of understanding was signed in a ceremony at the plant on February 17, 1983, with detailed agreements to be negotiated later. The transaction will be reviewed by the Federal Trade Commission and Japanese government authorities. It also is subject to negotiation of a satisfactory labor agreement. The joint venture will be run by its own board of directors, half appointed from each company. The president and chief executive officer will be selected by Toyota.

Other Joint Ventures

The Asia/Pacific region figured in several other major developments in 1982. In May, the Corporation announced a purchase of $200 million of convertible debentures from its Japanese affiliate, Isuzu Motors Limited, to assist in financing the development of a new subcompact vehicle to be produced in Japan and sold worldwide. In July, General Motors and Japan's Fujitsu Fanuc Ltd. formed a joint venture to produce and sell advanced manufacturing robots. GMFanuc Robotics Corporation is headquartered in Troy, Michigan. In December, General Motors announced an agreement to transfer to its 50-percent equity partner, Daewoo Industrial Co., Ltd., managerial responsibility for Saehan Motor Company, Limited in South Korea and to change the company's name to Daewoo Motor Co., Ltd.

Power Products Operations

The significant market decline for capital goods in 1982 was reflected in a 26% decline from 1981 in worldwide sales for GM's Power Products Operations.

During 1982, Detroit Diesel Allison Division (DDAD) assumed responsibility for the new 6.2 liter, light-duty diesel engine manufacturing facility located in Moraine, Ohio. The division continues to be the leading U.S. producer of light-, medium- and heavy-duty diesel engines and heavy-duty automatic transmissions. DDAD is also the industry leader in light turbines for helicopters.

In 1982, GM of Canada's Diesel Division sales declined due to lower Detroit Diesel engine sales in Canada and completion of the Canadian Government Armored Vehicle contract. Diesel Division manufactures locomotives, transit coaches, and off-highway electric haulers and during 1982 was awarded a multiyear contract to supply light armored vehicles to the U.S. Government.

In 1982, Electro-Motive Division (EMD) continued to experience a strong demand for locomotive components through its network of associate and licensee locomotive builders. However, the continuing economic slump in the United States and the world's glut of oil depressed sales of domestic locomotives and oil rig drilling equipment in 1982. EMD's new "50" Series locomotive is fuel-efficient, with superior performance to meet the railroads' requirements when the world economy expands.

Corporate Restructuring Continues

In a continuing effort to strengthen its competitive position, General Motors made additional changes in its organization and structure during the year.

The consolidation of the truck manufacturing and assembly operations of the GM Assembly, Chevrolet Motor, and GMC Truck & Coach divisions into a single division within the new worldwide Truck & Bus Group continued a major realignment begun in July 1981. The new Truck & Bus Manufacturing Division is one of the largest U.S. divisions in the Corporation. The division and group have headquarters in Pontiac, Michigan. Detroit Diesel Allison Division, which produces truck and bus diesel engines, heavy-duty transmissions, and gas turbine engines, also is part of the Truck & Bus Group. Dealer contracts and vehicle nameplates were not affected.

The Bedford Commercial Vehicle Division was established as a separate entity from Vauxhall Motors Limited in December to strengthen Bedford's position as a manufacturer of vans, trucks, and buses in the United Kingdom. Bedford is part of the Truck & Bus Group. The goal of all of these moves is to establish General Motors as the leader throughout the world in truck and bus manufacturing and sales.

In another restructuring, two staffs were reorganized to improve the Corporation's technical strength in product design and manufacturing. The advanced engineering and manufacturing groups were combined into one staff—the Advanced Product and Manufacturing Engineering Staff—to maximize interaction between the two disciplines. Also, various current product engineering and other corporate technical and nontechnical support functions were combined into a new staff—the Current Engineering and Manufacturing Services Staff—to facilitate day-to-day operations.

Court to Decide on Restraints

Convinced of the life-saving potential of seat belts already installed in almost every car on the road today, General Motors is supporting the National Highway Traffic Safety Administration's (NHTSA) national seat belt effort with an innovative employe belt use program, as well as a national advertising campaign. GM supports mandatory belt use as preferential to mandatory passive restraints.

Whether auto makers will be required to install passive restraints (automatic seat belts or air bags) in future U.S. models will be decided by the U.S. Supreme Court. The Supreme Court has agreed to hear an appeal by the NHTSA and auto manufacturers of a lower court decision reinstating a rule requiring passive restraints.

Safety Research Coordinated

Through the Motor Vehicle Manufacturers Association (MVMA), General Motors is cooperating with the NHTSA in programs that demonstrate the Corporation's belief that the NHTSA and the auto industry should coordinate their safety research where appropriate. This coordination can minimize expensive duplication of effort, increase mutual understanding of technological issues, and increase the productivity of both industry and government.

Over the past year, GM has worked with the NHTSA to coordinate research and to develop proposals in such areas as improved test procedures for side structure and steering assembly impacts, computer modeling of crashes, and methods of evaluating driver performance.

Changes in Board of Directors

Three changes have taken place in the membership of the GM Board of Directors since publication of the 1981 Annual Report.

John G. Smale, president and chief executive officer of The Procter & Gamble Company, was newly elected to the Board at the Annual Meeting on May 21, 1982.

George P. Shultz resigned from the Board of Directors in July 1982 to resume a distinguished career in government as U.S. Secretary of State. He had served on the Board for one year.

We were saddened by the death on January 6, 1983 of J. Stanford Smith. A former chairman of International Paper Company, he had served on the GM Board with distinction since 1976.

Employment and Payrolls

GM's worldwide employment and payrolls declined in 1982 from 1981 levels, reflecting reduced unit production and efforts to streamline the organization. Average worldwide employment totaled approximately 657,000 men and women in 1982, with payrolls amounting to $17.0 billion. This included 14,700 employes of GM's financing and insurance subsidiaries, whose payrolls amounted to $343.7 million. In comparison, average worldwide employment in 1981 was 741,000 and payrolls totaled a record $19.3 billion, including 14,900 financing and insurance subsidiary employes with payrolls of $344.7 million.

GM's average U.S. hourly-rate employment in 1982 was 313,000 men and women, with payrolls totaling $9.2 billion. This compared with 384,000 employes and payrolls of $11.1 billion in 1981. In 1982, GM's hourly-rate labor costs in the U.S., including benefits, averaged approximately $21.50 per hour worked, compared with approximately $19.80 per hour worked during 1981.

Benefit Plans

In 1982, GM's provisions for pension plans, health-care coverages, and other employe benefit programs in the U.S. totaled $4.3 billion, compared with $4.1 billion in 1981. Of the 1982 total, pension plan provisions amounted to $1.4 billion, and the cost of providing health-care coverages amounted to $1.9 billion. The cost of other benefit programs, such as life insurance, sickness and accident insurance, Supplemental Unemployment Benefits, Guaranteed Income Stream, and the Savings-Stock Purchase Program, totaled $1.0 billion in 1982.

Equal Employment Opportunity

Representation of minorities and women remained strong despite undesirable market conditions which reduced U.S. employment in 1982. This reflects GM's long-standing commitment to a policy of equal employment opportunity.

At the end of 1982, minorities represented 18% of General Motors' total U.S. work force, compared with 19% reported a year earlier. Minorities accounted for 12% of white-collar employment and 20% of blue-collar employment, compared with 12% white-collar and 21% blue-collar at the end of 1981.

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GM People at Work...

(**1**) Final adjustments are made by an engineering technician from the Advanced Product and Manufacturing Engineering Staff to the two-passenger commuter (TPC) vehicle. The TPC is an experimental car built to measure the practical limit of fuel economy against other worldwide designs. (**2**) Highly-skilled craftsmen at Fisher Body Division are responsible for the construction of wood models from which steel metal-forming dies are subsequently made. (**3**) An engineering technician on the Advanced Product and Manufacturing Engineering Staff completes modifications to a scale plastic model of a front door. Plastic models play an important role in vehicle design and development. (**4**) Purchase orders and bids are processed by a secretary-stenographer in the Purchasing Department at Fisher Body Division.

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GM People at Work...

(**1**) All engine functions are tested at the completion of assembly at the Cadillac Livonia engine plant. A team coordinator checks the computer panel which registers the test results. (**2**) A final assembly check is performed by employes at the GM Assembly Division plant in Tarrytown, New York. (**3**) A quality operator installs distributors at the Cadillac Livonia engine plant. (**4**) Crash tests performed at the main GM Proving Ground near Milford, Michigan, provide engineers with information they need to design interiors, structural components, and passenger restraint systems that help reduce occupant injuries. The project technician readies the reusable dummy occupant for its next impact experiment.

GM's U.S. employment of women was 17% at the end of 1982, compared with 18% at year-end 1981. Women accounted for 24% of white-collar employes and 15% of blue-collar employes, compared with 23% of white-collar employes and 16% of blue-collar employes at year-end 1981.

New U.S. Labor Agreement

In response to competitive realities, General Motors and the United Auto Workers came to terms March 21 on a new national agreement to replace the 1979 contract which would have expired in September 1982. Ratification by a majority of the UAW membership was announced April 9 and the contract took effect April 12 to run to September 14, 1984. Similar new agreements were negotiated with other unions representing GM workers in the United States.

Highlights of the principal provisions of the new UAW agreement are:

Income and Job Protection:

- Provides improved income security for longer-seniority employes and a procedure to discuss sourcing decisions.
- Unless offered other employment, laid-off employes with at least 15 years of service can, after exhausting Supplemental Unemployment Benefits, receive income guarantees of at least 50% of base pay plus cost-of-living allowance (COLA), together with certain insurance coverages, for a maximum duration of up to age 62. Employes with at least 10 years of service, laid off because of a plant closing, will receive similar pay and benefits.
- Establishes pilot programs at four GM plants to test the concept of lifetime employment.

Plant Closings:

- GM agreed to a moratorium on plant closings which result from the transfer of products manufactured internally to outside sources for a period of 24 months from the effective date of the new agreement.

Supplemental Unemployment Benefits:

- Up to an extra year of Supplemental Unemployment Benefits eligibility is provided for laid-off employes with at least 10 years of service.

Cost-of-Living Allowance-Hourly Base Wage Rate:

- The contract defers fully the June and September 1982 COLA adjustments and 10 cents of COLA from the December 1982 adjustment, each for 18 months, and maintains current hourly base wage rates during the period of the agreement.

Paid Time Off:

- The Paid Personal Holidays and the December Sunday holiday are eliminated.

Profit Sharing:

- Effective January 1, 1983, a profit-sharing plan was established under which U.S. employes will share in the success of GM's U.S. operations. Under the plan's provisions, profits will be

PONTIAC 6000 STE Sedan

shared when the Corporation's U.S. income before taxes plus equity income earned in the U.S. (principally GMAC) exceeds 10% of U.S. net worth plus 5% of the difference between total U.S. assets and U.S. net worth. Subject to a minimum payout provision, 10% of the excess amount will be distributed to U.S. employes.

In addition, the agreement provides: an annual fund for a special program to improve skills development, training, and communications; a new legal services plan for hourly employes; a new product discount plan for hourly employes; and a new provision to seek improved attendance through special counseling and reduction in benefits for employes with the worst absentee records. Also, a revised employe stock ownership plan, funded through Federal tax credits, will enable hourly employes to receive GM stock based on one-half of one percent of an individual's annual pay.

Changes Affecting Salaried Employes

Following is a summary of the major changes in compensation and benefits which were made for U.S. salaried employes during 1982:

- Improved job security through increased emphasis on placing laid-off employes within other GM operations; an extension of layoff benefits from one to two years for longer-service employes; and guaranteed income protection for a maximum duration of up to age 62 for those long-service employes laid off.
- A modified layoff procedure making length of service the primary consideration in any reduction involving employes with five or more years of service. For those with less than five years of service, a performance-based layoff procedure continues to apply.
- A new profit-sharing plan for salaried employes, effective January 1, 1983.
- A revised employe stock ownership plan, funded through Federal tax credits, enabling salaried employes to receive GM stock based on one-half of one percent of an individual's annual pay.
- The practice of eliminating COLA for time not worked was discontinued as of June 1, 1982. Effective December 1, 1982, the COLA payment was increased by $202.80 per quarter, $176.80 of which reflects a restoration of COLA previously reduced to help finance the "Let's Get Moving" sales promotion program which began in February 1982.
- Two improvements in the Savings-Stock Purchase Program: an increase in GM's contribution from 30% to 35% of basic savings; and a new "Savings with a Plus" feature which permits employes to make pre-tax contributions to the Program, thus deferring the payment of Federal income taxes on these savings until distribution. Both improvements are scheduled to become effective April 1, 1983.

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General Motors guests at the "World of Motion" learn how transportation has influenced the evolution of society and some of the things that GM is doing to help mankind meet the challenge of developing an ever-more mobile life-style.

GM's "World of Motion" at EPCOT Center continues a star-spangled string of hit exhibits that have made the name of General Motors synonymous with industrial leadership of the future.

Since opening day on October 1, attendance at the GM pavilion and the new international exposition at Walt Disney World in Florida has exceeded projected levels. By mid-February, over 2,500,000 visitors had experienced the excitement and witnessed the innovative technology at the "World of Motion."

"When we decided to sponsor the exhibit, we did so because we foresaw a unique opportunity to demonstrate to millions of individual visitors each year that General Motors products are second to none in the qualities that most motorists demand," GM Chairman Roger B. Smith said.

Transportation is the theme of the "World of Motion." The exhibit consists of a chair ride—a revolutionary idea when GM introduced it at the New York World's Fair in 1939—and a special exhibit that highlights GM's futuristic research and development.

In a quarter-hour on the Disney-developed ride, visitors span the same ages that man has spent seeking a better means of moving from here to there. Audio-equipped chair cars carry the guests through 24 animated dioramas in which Disney "imagineers" gently spoof some of the milestones along man's quest for personal mobility.

The stars of the show are some 140 audio-animatronic figures—stunningly lifelike people and animals—that the Disney organization created. The cast of characters enlivens scenes that depict how transportation has influenced the evolution of society, freeing mankind to travel ever faster across the earth at first, and then to leap into space.

The ride's historical emphasis serves as a prologue to the exhibit's next main attraction—"Transcenter"—and to the time when man must meet the challenge of developing an ever-more mobile life-style. The "Transcenter" area of the exhibit features entertaining yet informative illustrations of General Motors' pathfinder role in auto industry research, engineering, design, and manufacturing.

The linkup of aerodynamics and fuel economy, the benefits of automation,

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Ride scenes © Walt Disney Prod.

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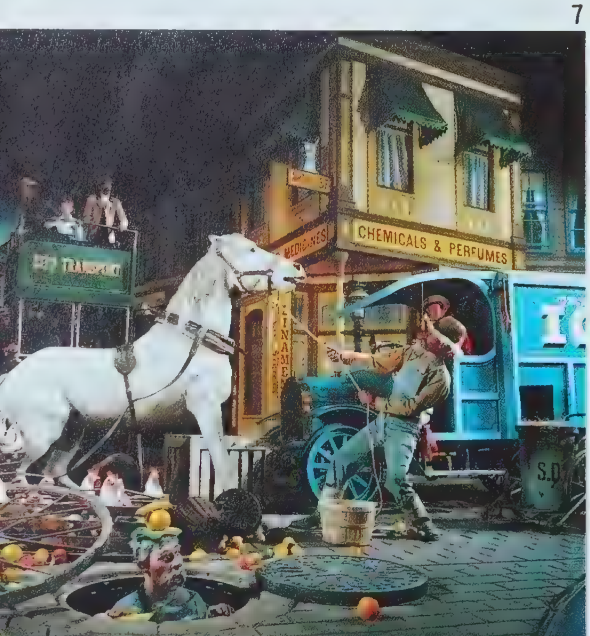

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(Illustrations clockwise from top left). (1) GM's "World of Motion" averages almost 20,000 guests daily. (2) Fuel economy, performance, and an articulated frame mark the "Lean Machine." (3) The experimental "Aero 2000" is the product of some of the most advanced design and aerodynamic concepts in the automobile industry. (4) A selection of 1983 General Motors cars and trucks is on display in the salon area. (5) An unusual stage show titled "Bird and the Robot" dramatizes automation virtues. (6) Models of new vehicles for virtually every travel medium take center stage in the "Dreamers' Workshop." (7) The town square becomes a battleground as the horse-and-buggy days fight a losing battle against the growing popularity of the horseless carriage. (8) By transferring his burden to the backs of animals, man makes the first of many significant improvements in the movement of people and goods.

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the prospects for new vehicle powerplants, product quality determination—these and similar topics now pursued by GM are presented in mini-theatres and animated displays.

"Transcenter" also looks ahead. In a rare view of a design studio, visitors see the "Aero 2000"—a four-seater that promises 71 miles per gallon—and how it was created. Nearby, the "Lean Machine," a one-passenger commuter vehicle capable of 60 miles per hour in seven seconds, appears on film and in model form.

Another area—the "Dreamers' Workshop"—pushes farther ahead to showcase vehicle concepts slated for the year 2000 and beyond. Despite the interest in these futuristic forms, one of the most popular attractions at "Transcenter" is a display of 1983 GM cars and trucks.

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Results of Operations

Despite reduced factory sales volume, General Motors showed an earnings improvement over 1981 reporting a net income in 1982 of $962.7 million.

As detailed in the table below, worldwide factory sales (sales of General Motors cars and trucks to its dealers) in 1982 totaled 6,244,000 units, 8% below 1981 unit sales. Worldwide dollar sales in 1982 were $60.0 billion, 4% below 1981. Dollar sales include price adjustments of $2.9 billion in 1982, and $5.0 billion in both 1981 and in 1980, which were offset by decreased year-to-year unit volume in each of the three years.

The table shows the percentage contribution to GM's total worldwide dollar sales, before elimination of interarea sales, by U.S., Canadian, and overseas operations. Automotive products accounted for more than 90% of GM's sales in each of the last three years.

In analyzing the earnings (loss) for the three years, it should be noted that the two largest cost elements are payments to suppliers (for raw materials and expenses) and the cost of labor. Efforts to control supplier costs, particularly for raw materials and energy, have continued. The cost of labor reflects the current U.S. labor agreement ratified in April 1982. This contract expires in September 1984.

*The comments covering GM pricing and vehicle financing (pages 4-5), power products sales (page 8), people of GM (pages 9-11), and the effects of inflation on financial data (pages 28-29) should also be read as an integral part of this discussion and analysis.

Taxes represent the third largest cost element of the Corporation. The significance of GM's tax burden is illustrated by comparing it with the level of dividends paid. For example, GM's common stockholders received dividends of $2.40, $2.40, and $2.95 per share on their investment in 1982, 1981, and 1980, respectively. During the same period, taxes incurred were equivalent to $7.22, $7.97, and $6.37 per share, respectively.

The Corporation's net income (loss) as a percent of sales declined to (1.3%) in 1980 but recovered slightly to 0.5% in 1981 and 1.6% in 1982. The Corporation is expected to continue to experience reduced profitability until the economy and automotive retail sales improve to more normal levels.

1982 Compared With 1981

The 1982 net income of $962.7 million or $3.09 per share of common stock compares with 1981 net income of $333.4 million or $1.07 per share of common stock. Although the table below illustrates that all income was earned in the United States, the loss attributable to overseas operations includes certain profitable overseas locations, as shown in Note 13 to the Financial Statements.

The $2.02 per share improvement in earnings in 1982 is primarily attributable to efficiencies due to cost reduction efforts, increased earnings of GM's financing and insurance operations, General Motors Acceptance Corporation (GMAC) and its subsidiaries, translation gains, and the liquidation of last-in, first-out (LIFO) inventory quantities carried at lower costs prevailing in prior years. All these factors more than offset the impact of the reduction in unit sales volume.

Interest expense increased over 1981 due to interest costs associated with expanded levels of short- and long-term borrowings at higher rates.

Total taxes of General Motors, including payroll and property taxes but excluding GMAC as discussed below, totaled $2,218.1 million in 1982 compared with $2,382.4 million in 1981. Both years included a credit for U.S., foreign and other income taxes which reflects the relatively low level of earnings combined with the favorable impact of U.S. investment tax credits.

GMAC and its subsidiaries earned a record $688.0 million in 1982, versus the previous record of $365.2 million in 1981, reflecting an increased level of earning assets, the continuing benefits of higher earning rates on receivables purchased during prior periods and a sharp decline in short-term borrowing costs during the latter half of the year. GMAC's income taxes, which are provided for separately from GM, increased $322.0 million to a total of $599.6 million for 1982.

1981 Compared With 1980

The 1981 net income of $333.4 million or $1.07 per share of common stock contrasted with the 1980 net loss of $762.5 million or $2.65 per share of common stock.

The $3.72 per share improvement in earnings in 1981 was primarily attributable to an improved product mix and

Worldwide Factory Sales

(Units In Thousands)	CARS			TRUCKS & BUSES			TOTAL		
	1982	1981	1980	1982	1981	1980	1982	1981	1980
United States	3,147	3,894	4,072	895	717	699	4,042	4,611	4,771
Canada	335	432	474	230	243	225	565	675	699
Overseas†	1,388	1,174	1,234	249	302	397	1,637	1,476	1,631
Total	4,870	5,500	5,780	1,374	1,262	1,321	6,244	6,762	7,101

†Includes units which are manufactured overseas by other companies and which are imported and sold by General Motors and affiliates.

Percentage of Net Income (Loss) Attributable to:

	1982	1981	1980
United States	111%	208%	(9%)
Canada	(3)	(10)	(3)
Overseas	(8)	(98)	(88)
Total	100%	100%	(100%)
Automotive	101%	(20%)	(127%)
Nonautomotive	(1)	120	27
Total	100%	100%	(100%)

Percentage of Worldwide Dollar Sales Attributable to:

	1982	1981	1980
United States	72%	72%	70%
Canada	11	12	12
Overseas	17	16	18
Total	100%	100%	100%
Automotive	94%	93%	92%
Nonautomotive	6	7	8
Total	100%	100%	100%

GMC AERO ASTRO

CHEVROLET FLEETSIDE Pickup

efficiencies due to cost reduction efforts as well as increased earnings of GMAC and its subsidiaries. In addition, in 1981 General Motors implemented certain modifications to its pension plans which reduced pension costs for 1981 by $411.1 million and accordingly increased net income by $0.69 per share. Modifications announced in December 1981 in salaried policies reduced the applicable accruals at year-end 1981 by $145.0 million thereby increasing net income by $0.25 per share.

Interest expense increased over 1980 due to interest costs associated with expanded levels of short- and long-term borrowings at higher rates.

The 1981 income tax credit of $123.1 million resulted from a combination of the continuing high level of U.S. investment tax credits and the low level of earnings.

GMAC and its subsidiaries earned $365.2 million in 1981, versus $231.0 million in 1980, due principally to the higher level of average earning receivables and higher financing rates, partially offset by substantially higher interest rates on worldwide borrowings.

Liquidity and Capital Resources

The Statement of Changes in Consolidated Financial Position, shown on page 19, has been modified to focus on changes in cash and marketable securities.

Cash and marketable securities increased by 137% in 1982 to $3,126.2 million, reflecting increased funds provided by current operations and borrowings and lower property expenditures, only partially offset by increased investments in affiliates and long-term debt retirements. The decrease in accounts and notes receivable of $778.8 million in 1982 reflects the sales decline as well as a decrease in the receivable due from GMAC, which provides the majority of the wholesale financing of General Motors' products. The decrease in inventories reflects the decrease in unit sales in 1982 and actions taken to reduce inventories. The increase in prepaid expenses and deferred income taxes for 1982 (and 1981 and 1980 as well) is due principally to an increase in deferred income taxes for timing differences as explained in Note 6 to the Financial Statements. Other sources of funds of $1,459.2 million in 1982 principally reflect increases in other liabilities and capitalized leases.

In 1981, cash and marketable securities decreased by $2,394.5 million, or 64%, reflecting the 27% increase in expenditures for real estate, plants and equipment as well as the $300.0 million additional capital investment in GMAC. The decline in accounts and notes receivable of $125.1 million in 1981 was due principally to the reduction in the receivable due from GMAC. This decrease was due to an acceleration program in effect at December 31, 1981 whereby GM received payment from GMAC for certain receivables representing dealer vehicle stocks at an earlier date than had been the previous practice. Other sources of funds of $1,703.3 million in 1981 principally reflect increases in

other liabilities and capitalized leases.

The decline in accounts and notes receivable of $1,262.0 million in 1980 was due to the sales decline as well as the reduction in the receivable from GMAC which reflected the decline in sales and the revision made in 1980 to the Wholesale Financing Program, effective with the 1981 model vehicle introduction. Under this revision, General Motors received payment from GMAC for cars shipped to dealers about two to three weeks earlier than in the past. These same factors resulted in the net increase in cash and marketable securities of $728.8 million in 1980. The decrease in inventories in 1980 was due to the reduced sales for that year.

General Motors' liquidity can also be measured by its current ratio (ratio of current assets to current liabilities). For the years ended December 31, 1982, 1981, and 1980, the current ratio, based on LIFO inventories, was 1.13, 1.09, and 1.26, respectively. The LIFO method, while improving Corporate cash flow, adversely affects the current ratio. The first-in, first-out (FIFO) value of inventories, which more nearly reflects replacement cost, exceeded LIFO amounts at December 31, 1982, 1981, and 1980 by approximately $1.9 billion, $2.1 billion, and $1.8 billion, respectively. If inventories were valued at FIFO, the current ratio would be 1.21, 1.18, and 1.34, respectively.

In 1982 and 1981, General Motors and its consolidated subsidiaries borrowed $2,497.4 million and $2,172.7 million, respectively, in long-term debt for use in worldwide operations, for repayment of existing borrowings, and for working capital and capital investments. Long-term debt, net of retirements totaling $1,846.5 million and $257.6 million in 1982 and 1981, respectively, increased by $650.9 million in 1982, compared with an increase of $1,915.1 million in 1981. Overall, long-term debt of $4,452.0 million and short-term loans payable of $1,182.5 million amounted to $5,634.5 million at December 31, 1982, an increase of $105.6 million in 1982, compared with an increase of $1,966.4 million in 1981. The ratio of long-term debt and short-term loans payable to the total of this debt and stockholders' equity decreased slightly from 23.8% to 23.6%. Sales of newly issued common stock for benefit and reinvestment plans also added to Corporate funds.

In line with the past practice of maintaining lines of credit, at year-end 1982 the Corporation and its subsidiaries (excluding GMAC) had unused short-term credit lines of approximately $2.4 billion and unused long-term credit agreements of approximately $2.7 billion. The ratio of long-term debt to the total of long-term debt and stockholders' equity rose from 9.6% at December 31, 1980 to 17.7% at December 31, 1981 and 19.6% at December 31, 1982. The senior long-term debt ratings of GM and GMAC carry the second highest possible rating, while the short-term commercial paper of GMAC continues to carry the highest possible rating.

It is the Corporation's policy to distribute from current earnings such amounts as the outlook and the indicated capital needs of the business permit. In this regard, a strong capital position must be maintained in order to meet the substantial level of capital expenditures in the years ahead. The current quarterly dividend rate of $0.60 per share of common stock reflects the need, during the current period of low earnings, to conserve funds for such expenditures.

Worldwide expenditures for real estate, plants and equipment amounted to $3.6 billion in 1982, compared with $6.5 billion and $5.2 billion, respectively, in 1981 and 1980. Of the 1982 expenditures, approximately 73% were made in the United States (57% in 1981 and 64% in 1980), 5% in Canada (10% in 1981 and 8% in 1980), and 22% overseas (33% in 1981 and 28% in 1980). Worldwide expenditures for special tools were $2.6 billion in 1982, $3.2 billion in 1981, and $2.6 billion in 1980.

General Motors' capital spending totaled $6.2 billion in 1982, compared with $9.7 billion in 1981 and $7.8 billion in 1980. Product programs necessary to respond to the demands of the marketplace for fuel economy and quality, to improve General Motors' competitive position worldwide, to improve plant efficiency, as well as to meet government standards, require continued high capital expenditures. In each of the last seven years, General Motors has introduced substantially redesigned or new models in the United States and Canada. Significant product redesign programs have also been undertaken by overseas subsidiaries. Commitments for capital spending at December 31, 1982 totaled $1.7 billion, and it is anticipated that total capital expenditures will be approximately $6 billion in 1983.

Common stock and capital surplus increases in the last three years reflect use of newly issued stock for purposes of the Savings-Stock Purchase Programs, the Employe Stock Ownership Plans and, in 1981 and 1982, the General Motors Dividend Reinvestment Plan. In addition, the Corporation exchanged common stock for long-term debt in 1982.

Book value per share of General Motors common stock increased in 1982 to $57.64 from $57.21 at the end of 1981. Book value was $58.82 at the end of 1980. Net income (loss) as a percent of stockholders' equity was 5.3% in 1982, compared with 1.9% in 1981 and (4.3%) in 1980.

The adoption of Statement of Financial Accounting Standards No. 52, Foreign Currency Translation, in the first quarter of 1983 is expected to result in a reduction in stockholders' equity of about 3%. This reduction results principally from the adjustment of real estate, plants and equipment from exchange rates in effect at dates of acquisition to current applicable exchange rates, as will be required by Statement No. 52.

RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The following financial statements of General Motors Corporation and consolidated subsidiaries were prepared by the management which is responsible for their integrity and objectivity. The statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on judgments of management. Financial information elsewhere in this Annual Report is consistent with that in the financial statements.

Management is further responsible for maintaining a system of internal accounting controls, designed to provide reasonable assurance that the books and records reflect the transactions of the companies and that its established policies and procedures are carefully followed. From a stockholder's point of view, perhaps the most important feature in the system of control is that it is continually reviewed for its effectiveness and is augmented by written policies and guidelines, the careful selection and training of qualified personnel, and a strong program of internal audit.

Deloitte Haskins & Sells, independent certified public accountants, are engaged to examine the financial statements of General Motors Corporation and its subsidiaries and issue reports thereon. Their examination is conducted in accordance with generally accepted auditing standards which comprehend a review of internal accounting controls and a test of transactions. The Accountants' Report appears on page 26.

The Board of Directors, through the Audit Committee (composed entirely of non-employe Directors), is responsible for assuring that management fulfills its responsibilities in the preparation of the financial statements. The Committee selects the independent public accountants annually in advance of the Annual Meeting of Stockholders and submits the selection for ratification at the Meeting. In addition, the Committee reviews the scope of the audits and the accounting principles being applied in financial reporting. The independent public accountants, representatives of management, and the internal auditors meet regularly (separately and jointly) with the Committee to review the activities of each and to ensure that each is properly discharging its responsibilities. To ensure complete independence, Deloitte Haskins & Sells have full and free access to meet with the Committee, without management representatives present, to discuss the results of their examination, the adequacy of internal accounting controls, and the quality of the financial reporting.

Chairman

Chief Financial Officer

STATEMENT OF CONSOLIDATED INCOME

For the Years Ended December 31, 1982, 1981 and 1980
(Dollars in Millions Except Per Share Amounts)

	1982	1981	1980
Net Sales (Note 2)	$60,025.6	$62,698.5	$57,728.5
Costs and Expenses			
Cost of sales and other operating charges, exclusive of items listed below	51,548.3	55,185.2	52,099.8
Selling, general and administrative expenses	2,964.9	2,715.0	2,636.7
Depreciation of real estate, plants and equipment	2,403.0	1,837.3	1,458.1
Amortization of special tools	2,147.5	2,568.9	2,719.6
Total Costs and Expenses	59,063.7	62,306.4	58,914.2
Operating Income (Loss)	961.9	392.1	(1,185.7)
Other income less income deductions—net (Note 4)	476.3	367.7	348.7
Interest expense (Note 1)	(1,415.4)	(897.9)	(531.9)
Income (Loss) before Income Taxes	22.8	(138.1)	(1,368.9)
United States, foreign and other income taxes (credit) (Note 6)	(252.2)	(123.1)	(385.3)
Income (Loss) after Income Taxes	275.0	(15.0)	(983.6)
Equity in earnings of nonconsolidated subsidiaries and associates (dividends received amounted to $412.7 in 1982, $189.7 in 1981 and $116.8 in 1980)	687.7	348.4	221.1
Net Income (Loss)	962.7	333.4	(762.5)
Dividends on preferred stocks	12.9	12.9	12.9
Earnings (Loss) on Common Stock	$ 949.8	$ 320.5	($ 775.4)
Average number of shares of common stock outstanding (in millions)	307.4	299.1	292.4
Earnings (Loss) Per Share of Common Stock (Note 7)	$3.09	$1.07	($2.65)

Reference should be made to notes on pages 20 through 26.

CONSOLIDATED BALANCE SHEET

December 31, 1982 and 1981
(Dollars in Millions Except Per Share Amounts)

ASSETS	1982	1981
Current Assets		
Cash	$ 279.6	$ 204.1
United States Government and other marketable securities and time deposits—at cost, which approximates market of $2,835.5 and $1,086.3	2,846.6	1,116.6
Total cash and marketable securities	3,126.2	1,320.7
Accounts and notes receivable (including GMAC and its subsidiaries—$312.0 and $636.2)—less allowances	2,864.5	3,643.3
Inventories (less allowances) (Note 1)	6,184.2	7,222.7
Prepaid expenses and deferred income taxes	1,868.2	1,527.1
Total Current Assets	14,043.1	13,713.8
Equity in Net Assets of Nonconsolidated Subsidiaries and Associates (principally GMAC and its subsidiaries—Note 8)	4,231.1	3,369.5
Other Investments and Miscellaneous Assets—at cost (less allowances)	1,550.0	1,783.5
Common Stock Held for the Incentive Program (Note 3)	35.2	71.5
Property		
Real estate, plants and equipment—at cost (Note 9)	37,687.2	34,811.5
Less accumulated depreciation (Note 9)	18,148.9	16,317.4
Net real estate, plants and equipment	19,538.3	18,494.1
Special tools—at cost (less amortization)	2,000.1	1,546.6
Total Property	21,538.4	20,040.7
Total Assets	$41,397.8	$38,979.0

LIABILITIES AND STOCKHOLDERS' EQUITY	1982	1981
Current Liabilities		
Accounts payable (principally trade)	$ 3,600.7	$ 3,699.7
Loans payable (principally overseas) (Note 11)	1,182.5	1,727.8
Accrued liabilities (Note 10)	7,601.8	7,127.5
Total Current Liabilities	12,385.0	12,555.0
Long-Term Debt (Note 11)	4,452.0	3,801.1
Capitalized Leases	293.1	242.9
Other Liabilities (including GMAC and its subsidiaries—$876.0 and $424.0)	4,259.8	3,092.7
Deferred Credits (including investment tax credits—$1,158.7 and $1,111.1)	1,720.8	1,566.2
Stockholders' Equity (Notes 3 and 12)		
Preferred stocks ($5.00 series, $183.6; $3.75 series, $100.0)	283.6	283.6
Common stock (issued, 312,363,657 and 304,804,228 shares)	520.6	508.0
Capital surplus (principally additional paid-in capital)	1,930.4	1,589.5
Net income retained for use in the business	15,552.5	15,340.0
Total Stockholders' Equity	18,287.1	17,721.1
Total Liabilities and Stockholders' Equity	$41,397.8	$38,979.0

Reference should be made to notes on pages 20 through 26.
Certain amounts for 1981 have been reclassified to conform with 1982 classifications.

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION

For the Years Ended December 31, 1982, 1981 and 1980
(Dollars in Millions)

	1982	1981	1980
Source of Funds			
Net income (loss)	$ 962.7	$ 333.4	($ 762.5)
Depreciation of real estate, plants and equipment	2,403.0	1,837.3	1,458.1
Amortization of special tools	2,147.5	2,568.9	2,719.6
Deferred income taxes, undistributed earnings of nonconsolidated subsidiaries and associates, etc.—net	75.8	68.0	311.5
Total funds provided by current operations	5,589.0	4,807.6	3,726.7
Increase in long-term debt	2,497.4	2,172.7	1,305.1
Decrease (Increase) in other working capital items	1,306.2	(341.2)	4,267.7
Proceeds from sale of newly issued common stock	353.5	303.6	271.9
Other—net	1,459.2	1,703.3	95.2
Total	11,205.3	8,646.0	9,666.6
Use of Funds			
Dividends paid to stockholders (Note 12)	750.2	730.5	874.1
Expenditures for real estate, plants and equipment	3,611.1	6,563.3	5,160.5
Expenditures for special tools	2,601.0	3,178.1	2,600.0
Retirements of long-term debt	1,846.5	257.6	299.1
Investments in nonconsolidated subsidiaries and associates	591.0	311.0	4.1
Total	9,399.8	11,040.5	8,937.8
Increase (Decrease) in cash and marketable securities	1,805.5	(2,394.5)	728.8
Cash and marketable securities at beginning of the year	1,320.7	3,715.2	2,986.4
Cash and marketable securities at end of the year	$ 3,126.2	$ 1,320.7	$3,715.2
Decrease (Increase) in Other Working Capital Items by Element			
Accounts and notes receivable	$ 778.8	$ 125.1	$1,262.0
Inventories	1,038.5	72.3	844.1
Prepaid expenses and deferred income taxes	(341.1)	(820.6)	(243.1)
Accounts payable	(99.0)	(268.0)	586.4
Loans payable	(545.3)	51.3	752.4
Accrued liabilities	474.3	498.7	1,065.9
Decrease (Increase) in other working capital items	$ 1,306.2	($ 341.2)	$4,267.7

Reference should be made to notes on pages 20 through 26.

Certain amounts for 1981 and 1980 have been reclassified to conform with 1982 classifications and format.

NOTE 1. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and all domestic and foreign subsidiaries which are more than 50% owned and engaged principally in manufacturing or wholesale marketing of General Motors products. General Motors' share of earnings or losses of nonconsolidated subsidiaries and of associates in which at least 20% of the voting securities is owned is generally included in consolidated income under the equity method of accounting.

Income Taxes

Investment tax credits are deferred and amortized over the lives of the related assets. The tax effects of timing differences between pretax accounting income and taxable income (principally related to depreciation, sales and product allowances, undistributed earnings of subsidiaries and associates, and benefit plans expense) are deferred. Provisions are made for estimated United States and foreign taxes, less available tax credits and deductions, which may be incurred on remittance of the Corporation's share of subsidiaries' undistributed earnings less those deemed to be permanently reinvested. Possible taxes beyond those provided would not be material.

Inventories

Inventories are stated generally at cost, which is not in excess of market. The cost of substantially all domestic inventories was determined by the last-in, first-out (LIFO) method. If the first-in, first-out (FIFO) method of inventory valuation had been used by the Corporation for U.S. inventories, it is estimated they would be $1,886.0 million higher at December 31, 1982, compared with $2,077.1 million higher at December 31, 1981. As a result of decreases in unit sales and actions taken to reduce inventories, certain LIFO inventory quantities carried at lower costs prevailing in prior years, as compared with the costs of current purchases, were liquidated in 1982, 1981 and 1980. These inventory adjustments favorably affected income (loss) before income taxes by approximately $305.0 million, $89.2 million and $259.2 million in the respective years. The cost of inventories outside the United States was determined generally by the FIFO or the average cost method.

Major Classes of Inventories

(Dollars in Millions)	1982	1981
Productive material, work in process and supplies	$3,774.4	$4,561.5
Finished product, service parts, etc.	2,409.8	2,661.2
Total	$6,184.2	$7,222.7

Depreciation and Amortization

Depreciation is provided on groups of property using, with minor exceptions, an accelerated method which accumulates depreciation of approximately two-thirds of the depreciable cost during the first half of the estimated lives of the property.

Expenditures for special tools are amortized, with the amortization applied directly to the asset account, over short periods of time because the utility value of the tools is radically affected by frequent changes in the design of the functional components and appearance of the product. Replacement of special tools for reasons other than changes in products is charged directly to cost of sales.

Pension Program

The Corporation and its subsidiaries have several pension plans covering substantially all of their employes, including certain employes in foreign countries. Benefits under the plans are generally related to an employe's length of service, wages and salaries, and, where applicable, contributions. The costs of these plans are determined on the basis of actuarial cost methods and include amortization of prior service cost over periods not in excess of 30 years from the later of October 1, 1979 or the date such costs are established. With the exception of certain overseas subsidiaries, pension costs accrued are funded within the limitations set by the Employee Retirement Income Security Act.

Product Related Expenses

Expenditures for advertising and sales promotion and for other product related expenses are charged to costs and expenses as incurred; provisions for estimated costs related to product warranty are made at the time the products are sold.

Expenditures for research and development are charged to expenses as incurred and amounted to $2,175.1 million in 1982, $2,249.6 million in 1981 and $2,224.5 million in 1980.

Foreign Exchange

Exchange and translation activity included in net income in 1982, 1981 and 1980 amounted to gains of $348.4 million, $226.2 million and $164.6 million, respectively. Statement of Financial Accounting Standards No. 8, Accounting for the Translation of Foreign Currency Transactions and Foreign Currency Financial Statements, was applied throughout the three-year period.

Interest Cost

Total interest cost incurred in 1982, 1981 and 1980 amounted to $1,544.6 million, $995.2 million and $567.1 million, respectively, of which $129.2 million, $97.3 million and $35.2 million related to certain real estate, plants and equipment acquired in those years was capitalized.

NOTE 2. Net Sales

(Dollars in Millions)	1982	1981	1980
Net sales includes sales to:			
Nonconsolidated subsidiaries and associates	$ 96.3	$ 130.4	$ 104.1
Dealerships operating under dealership assistance plans	$1,253.7	$1,688.9	$1,456.0

Unrealized intercompany profits on sales to nonconsolidated subsidiaries and to associates are deferred.

NOTE 3. Incentive Program

The Incentive Program consists of the General Motors Bonus Plan, the General Motors Stock Option Plans and the General Motors Performance Achievement Plan. The By-Laws provide that the Plans in which directors or officers of the Corporation may participate shall be presented for action at a stockholders' meeting at least once in every five years. The Program was last approved by stockholders at the 1982 Annual Meeting which resulted in the adoption of a modified Bonus Plan, the new 1982 Stock Option Plan and the new Performance Achievement Plan.

The modified Bonus Plan includes a new formula, a reduction in the payout period for bonus instalments and provision for the payment of interest equivalents on undelivered cash awards. The 1982 Stock Option Plan includes incentive stock options as provided under the Economic Recovery Tax Act of 1981. The Performance Achievement Plan is based on the achievement of performance levels, established by the Bonus and Salary Committee, over periods of not less than two nor more than five years.

The Corporation maintains a reserve for purposes of the Bonus Plan. For any year, a maximum credit may be made to the reserve equal to the amount which the independent public accountants of the Corporation determine to be 8% of the net earnings which exceed $1 billion, but not in excess of the amount paid out as dividends on the common stock during the year. The Bonus and Salary Committee may, at its discretion, direct that for any year an amount less than the maximum amount available under the formula be credited. Further, the Committee may, but is not obligated to, award as bonus in any year the full amount available in the reserve for such awards. Bonus awards under the Bonus Plan and such other amounts arising out of the operation of the Bonus Plan as the Committee may determine are charged to the reserve.

As a result of low earnings in 1982 and 1981 and a net loss in 1980, no credits were made to the Reserve for the Bonus Plan. Accordingly, the Committee determined that there would be no bonus awards related to the years 1982, 1981 and 1980.

In addition, there was no accrual in 1982 for the Performance Achievement Plan.

Under the provisions of the Bonus Plan, as amended in 1982, participants receive their awards in instalments in as many as three years (five years in the case of awards prior to 1982). Performance Achievement Plan awards are to be paid as soon as is practicable following completion of the performance period. If participants in the Bonus and Stock Option Plans fail to meet conditions precedent to receiving undelivered instalments of bonus awards (and contingent credits related to the Stock Option Plan prior to 1977), the amount of any such instalments is credited to income. Upon the exercise of stock options, any related contingent credits are proportionately reduced and the amount of the reduction is credited to income.

Changes during 1980, 1981 and 1982 in the status of options granted under the Stock Option Plans are shown in the following table. The option prices are 100% of the average of the highest and lowest sales prices of General Motors common stock on the dates the options were granted as reported (1) on the New York Stock Exchange for options granted prior to 1976, and (2) on the Composite Tape of transactions on all major exchanges and nonexchange markets in the U.S. for options granted in 1976 and subsequent years. Incentive stock options expire ten years from date of grant. Nonqualified stock options granted prior to 1982 expire ten years from date of grant and nonqualified stock options granted in 1982 and thereafter expire ten years and two days from date of grant. Options are subject to earlier termination under certain conditions.

The Corporation intends to deliver newly issued stock upon the exercise of any of the options. The maximum number of shares for which additional options might be granted under the Plan was 1,582,170 at January 1, 1980, 1,230,055 at December 31, 1980 and 931,405 at December 31, 1981. Of the 7,500,000 shares authorized for grant under the 1982 Stock Option Plan, 740,420 shares were granted, 1,365 shares were terminated, and the maximum number of shares for which additional options might be granted was 6,760,945 at December 31, 1982.

	Years Granted	Option Prices	Shares Under Option
Outstanding at Jan. 1, 1980	1973-1979	$50.00-$73.38	1,307,024
Granted	1980	53.25	425,590
Terminated	1973-1980		(120,001)
Outstanding at Dec. 31, 1980			1,612,613
Granted	1981	50.00	464,255
Terminated	1973-1981		(269,195)
Outstanding at Dec. 31, 1981			1,807,673
Granted:	March 1982	38.25	897,150
	Oct. 1982	46.50	740,420
Exercised	1980-1981	53.25/50.00	(1,635)
Terminated	1973-1982		(191,469)
Outstanding at Dec. 31, 1982			3,252,139
Options outstanding at Dec. 31, 1982 consisted of:	1973	$73.38	43,956
	1974	50.00	76,718
	1976	65.19	51,960
	1977	66.57	179,510
	1978	63.75	216,075
	1979	59.50	262,770
	1980	53.25	370,230
	1981	50.00	428,310
	March 1982	38.25	883,555
	Oct. 1982	46.50	739,055
Total Shares Under Option			3,252,139

Common stock held for the Incentive Program is stated substantially at cost and used exclusively for payment of Program liabilities.

	1982		1981	
(Dollars in Millions)	Shares	Amount	Shares	Amount
Balance at Jan. 1	1,177,137	$71.5	2,037,978	$125.8
Acquired during the year	2,039	.1	2,833	.1
Sold to trustee of S-SPP	(2,723)	(.1)	(8,224)	(.5)
Delivered to participants	(584,246)	(36.3)	(855,450)	(53.9)
Balance at Dec. 31	592,207	$35.2	1,177,137	$ 71.5

NOTE 4. Other Income Less Income Deductions

(Dollars in Millions)	1982	1981	1980
Other income:			
Interest	$483.6	$427.9	$392.1
Other	174.5*	123.6	81.7
Income deductions	(181.8)	(183.8)	(125.1)
Net	$476.3	$367.7	$348.7

*Includes $48.7 million gain from early retirement of long-term debt.

NOTE 5. Pension Program

Total pension expense of the Corporation and its consolidated subsidiaries amounted to $1,565.9 million in 1982, $1,493.8 million in 1981 and $1,922.1 million in 1980. For purposes of determining pension expense, the Corporation uses a variety of assumed rates of return on pension funds in accordance with local practice and regulations, which rates approximated 7% in 1982 and 1981 and 6% in 1980. The increase to 7% in the assumed rate of return used in determining retirement plan costs and other changes in actuarial assumptions made in 1981 reduced retirement plan costs for 1981 by $411.1 million and increased net income by $205.6 million ($0.69 per share). The following table compares accumulated plan benefits and plan net assets for the Corporation's defined benefit plans in the United States as of October 1 (the plans' anniversary date) of both 1982 and 1981:

(Dollars in Millions)	1982	1981
Actuarial present value of accumulated plan benefits:		
Vested	$16,347.8	$15,707.9
Nonvested	1,754.1	1,829.6
Total	$18,101.9	$17,537.5
Net assets available for benefits:		
Trustees	$11,381.7	$ 9,914.7
Insurance companies	3,051.1	2,956.7
Total	$14,432.8	$12,871.4

The assumed rates of return used in determining the actuarial present value of accumulated plan benefits (shown in the table above) were based upon those published by the Pension Benefit Guaranty Corporation, a public corporation established under the Employee Retirement Income Security Act (ERISA). Such rates averaged approximately 10¼% for 1982 and approximately 10% for 1981.

The Corporation's pension plans of subsidiaries outside the United States are not required to report to governmental agencies pursuant to ERISA and the actuarial value of accumulated benefits for these plans has not been determined in the manner calculated and shown above. The total of these plans' pension funds and balance sheet accruals, less pension prepayments and deferred charges, exceeded the actuarially computed value of vested benefits by approximately $242 million at December 31, 1982 and $226 million at December 31, 1981.

NOTE 6. United States, Foreign and Other Income Taxes (Credit)

(Dollars in Millions)	1982	1981	1980
Taxes estimated to be payable (refundable) currently:			
United States Federal	($168.6)	$442.9	($307.7)
Foreign	98.6	62.4	56.2
State and local	(8.1)	41.4	(36.9)
Total	(78.1)	546.7	(288.4)
Taxes deferred—net:			
United States Federal	(146.3)	(829.3)	(342.2)
Foreign	(35.0)	(57.9)	131.9
State and local	(40.4)	(89.6)	(39.0)
Total	(221.7)	(976.8)	(249.3)
Investment tax credits deferred—net:			
United States Federal	85.3	312.6	126.0
Foreign	(37.7)	(5.6)	26.4
Total	47.6	307.0	152.4
Total taxes (credit)	($252.2)	($123.1)	($385.3)

Investment tax credits entering into the determination of taxes estimated to be payable (refundable) currently amounted to $403.0 million in 1982, $592.1 million in 1981 and $350.9 million in 1980.

The deferred taxes (credit) for timing differences consisted principally of the following: 1982—($164.0) million for benefit plans expense, ($172.0) million for sales and product allowances and $275.0 million for depreciation; 1981—($546.3) million for benefit plans expense and ($267.2) million for sales and product allowances; and 1980—($232.1) million for sales and product allowances.

Income (loss) before income taxes included the following components:

(Dollars in Millions)	1982	1981	1980
Domestic income (loss)	$170.4	$288.7	($ 928.6)
Foreign income (loss)	(147.6)	(426.8)	(440.3)
Total	$ 22.8	($138.1)	($1,368.9)

The consolidated income tax (credit) was different than the amount computed at the United States statutory income tax rate for the reasons set forth in the table below:

	1982	1981	1980
Expected tax (credit) at U.S. statutory income tax rate	$ 10.5	($ 63.5)	($629.7)
Investment tax credits amortized	(355.4)	(285.1)	(198.5)
Foreign tax rate differential	169.3	213.0	403.7
State and local income taxes	(26.2)	(26.0)	(41.0)
Other adjustments	(50.4)	38.5	80.2
Consolidated income tax (credit)	($252.2)	($123.1)	($385.3)

NOTE 7. Earnings (Loss) Per Share of Common Stock

Earnings (loss) per share of common stock are based on the average number of shares outstanding during each year. The effect on earnings (loss) per share resulting from the assumed exercise of outstanding options and delivery of bonus awards and contingent credits under the Incentive Program is not material.

NOTE 8. General Motors Acceptance Corporation and Subsidiaries

Condensed Consolidated Balance Sheet (Dollars in Millions)

	1982	1981
Cash and investments in securities	$ 1,674.2	$ 1,709.9
Finance receivables—net (including GM and affiliates—$876.0 and $424.0)	41,771.1	39,692.5
Other assets	969.4	446.2
Total Assets	$44,414.7	$41,848.6
Short-term debt	$22,114.1	$23,256.1
Accounts payable and other liabilities (including GM and affiliates—$312.0 and $636.2)	2,689.0	2,507.5
Long-term debt	15,695.5	12,849.9
Stockholder's equity	3,916.1	3,235.1
Total Liabilities and Stockholder's Equity	$44,414.7	$41,848.6

Condensed Consolidated Statement of Income (Dollars in Millions)

	1982	1981	1980
Gross Revenue	$7,255.4	$6,153.9	$4,566.8
Interest and discount	4,482.1	4,174.7	2,889.6
Other expenses	2,085.3	1,614.0	1,446.2
Total Expenses	6,567.4	5,788.7	4,335.8
Net Income	$ 688.0	$ 365.2	$ 231.0

NOTE 9. Real Estate, Plants and Equipment and Accumulated Depreciation (Dollars in Millions)

	1982	1981
Real estate, plants and equipment (Note 11):		
Land	$ 361.8	$ 350.8
Land improvements	1,136.8	1,026.4
Leasehold improvements—less amortization	41.8	38.4
Buildings	7,921.3	7,159.6
Machinery and equipment	24,802.1	21,470.4
Furniture and office equipment	403.6	350.3
Capitalized leases	711.7	655.4
Construction in progress	2,308.1	3,760.2
Total	$37,687.2	$34,811.5
Accumulated depreciation:		
Land improvements	$ 576.5	$ 530.8
Buildings	3,650.6	3,409.4
Machinery and equipment	13,456.6	11,987.2
Furniture and office equipment	160.9	132.5
Capitalized leases	255.0	208.2
Extraordinary obsolescence	49.3	49.3
Total	$18,148.9	$16,317.4

NOTE 10. Accrued Liabilities

(Dollars in Millions)

	1982	1981
Taxes, other than income taxes	$ 885.1	$ 812.2
Payrolls	1,476.7	1,576.2
Employe benefits	1,111.4	263.8
Dealer and customer allowances, claims, discounts, etc.	2,990.8	2,685.4
Other	1,137.8	1,789.9
Total	$7,601.8	$7,127.5

NOTE 11. Long-Term Debt

(Dollars in Millions)

			1982	1981
GM:				
U.S. dollars:				
10% Notes		1984-86	$ 200.0	$ 200.0
8.05% Notes		1985	300.0	300.0
12.2% Notes		1986-88	200.0	200.0
8.03% Adjustable Rate Notes		1989	400.0	—
10% Notes		1991	237.5	200.0
8⅝% Debentures		2005	160.1	300.0
Other	6.5%	1984-2000	91.9	219.3
Other currencies	10.6%	1984-89	411.6	271.7
Consolidated subsidiaries:				
U.S. dollars	11.5%	1984-93	931.6	829.9
Spanish pesetas	14.0%	1984-90	680.0	188.3
Australian dollars	12.6%	1984-89	213.9	8.5
Brazilian cruzeiros	38.7%	1984-87	183.0	17.4
Austrian schillings	7.5%	1984-87	150.7	64.5
Venezuelan bolivars	14.7%	1984	127.9	60.0
Mexican pesos	20.1%	1984	65.1	4.8
French francs	13.9%	1984-86	49.9	25.9
German marks	7.6%	1984-96	38.9	248.3
Canadian dollars			—	687.9
Other currencies	Various	1984-2004	120.1	89.3
Total			4,562.2	3,915.8
Less unamortized discount (principally on 10% notes due 1991)			110.2	114.7
Total			$4,452.0	$3,801.1

At year-end 1982, the Corporation and its consolidated subsidiaries had unused short-term credit lines of approximately $2.4 billion and unused long-term credit agreements of approximately $2.7 billion. Long-term debt at December 31, 1982 and 1981 included approximately $2,032 million and $660 million, respectively, of short-term obligations which are intended to be renewed or refinanced under long-term credit agreements. Long-term debt (including current portion) bore interest at a weighted average rate of approximately 13.3% at December 31, 1982 and 12.7% at December 31, 1981.

(continued)

NOTE 11. (concluded)

In 1981, the Corporation and a subsidiary arranged a private financing of $500 million in 10% notes due 1991, of which $400 million was outstanding at December 31, 1981 and $475 million at December 31, 1982. The difference between the 10% stated interest rate and the effective rates at dates of issuance (15.45%-1981; 12.07%-1982) reflects the discount which is being amortized over the lives of the notes. An option to acquire certain real estate in 1991 was also granted. The option holder may deliver the notes in payment for the real estate.

Under the sinking fund provisions of the trust indenture for the Corporation's 8⅝% Debentures due 2005, the Corporation is to make annual sinking fund payments of $11.8 million in each of the years 1998 through 2004.

Maturities of long-term debt in the years 1983 through 1987 are (in millions) $465.4 (included in loans payable at December 31, 1982), $1,068.7, $741.8, $615.9 and $313.7. Loans payable at December 31, 1981 included $186.4 million current portion of long-term debt.

NOTE 12. Stockholders' Equity (Dollars in Millions Except Per Share Amounts)

	1982	1981	1980
Capital Stock:			
Preferred Stock, without par value, cumulative dividends (authorized, 6,000,000 shares), no change during the year:			
$5.00 series, stated value $100 per share, redeemable at Corporation option at $120 per share (issued, 1,875,366 shares; in treasury, 39,722 shares; outstanding, 1,835,644 shares)	$ 183.6	$ 183.6	$ 183.6
$3.75 series, stated value $100 per share, redeemable at Corporation option at $100 per share (issued and outstanding, 1,000,000 shares)	100.0	100.0	100.0
Common Stock, $1⅔ par value (authorized, 500,000,000 shares):			
Issued at beginning of the year (304,804,228 shares in 1982, 298,053,782 in 1981 and 292,472,499 in 1980)	508.0	496.7	487.4
Newly issued stock sold under provisions of the Stock Option Plans, Employe Stock Ownership Plans, Savings-Stock Purchase Programs and the Dividend Reinvestment Plan (6,459,429 shares in 1982, 6,750,446 in 1981 and 5,581,283 in 1980) and exchanged for long-term debt (1,100,000 shares in 1982)	12.6	11.3	9.3
Issued at end of the year (312,363,657 shares in 1982, 304,804,228 in 1981 and 298,053,782 in 1980)	520.6	508.0	496.7
Total capital stock at end of the year	804.2	791.6	780.3
Capital Surplus (principally additional paid-in capital):			
Balance at beginning of the year	1,589.5	1,297.2	1,034.6
Proceeds in excess of par value of newly issued common stock sold under provisions of the Stock Option Plans, Employe Stock Ownership Plans, Savings-Stock Purchase Programs and the Dividend Reinvestment Plan and, in 1982, exchanged for long-term debt	340.9	292.3	262.6
Balance at end of the year	1,930.4	1,589.5	1,297.2
Net Income Retained for Use in the Business:			
Balance at beginning of the year	15,340.0	15,737.1	17,373.7
Net income (loss)	962.7	333.4	(762.5)
Total	16,302.7	16,070.5	16,611.2
Cash dividends:			
Preferred stock, $5.00 series, $5.00 per share	9.2	9.2	9.2
Preferred stock, $3.75 series, $3.75 per share	3.7	3.7	3.7
Common stock, $2.40 per share in 1982 and 1981 and $2.95 in 1980	737.3	717.6	861.2
Total cash dividends	750.2	730.5	874.1
Balance at end of the year	15,552.5	15,340.0	15,737.1
Total Stockholders' Equity	$18,287.1	$17,721.1	$17,814.6

The preferred stock is subject to redemption at the option of the Board of Directors on any dividend date on not less than thirty days' notice at the redemption prices stated above plus accrued dividends.

The Certificate of Incorporation provides that no cash dividends may be paid on the common stock so long as current assets (excluding prepaid expenses) in excess of current liabilities of the Corporation are less than $75 per share of outstanding preferred stock. Such current assets (with inventories calculated on the FIFO basis) in excess of current liabilities were greater than $75 in respect of each share of outstanding preferred stock at December 31, 1982.

The equity of the Corporation and its consolidated subsidiaries in the accumulated net loss, since acquisition, of associates has been included in net income retained for use in the business.

NOTE 13. Segment Reporting

General Motors is a highly vertically-integrated business operating primarily in a single industry consisting of the manufacture, assembly and sale of automobiles, trucks and related parts and accessories classified as automotive products. Because of the high degree of integration, substantial interdivisional and intercompany transfers of materials and services are made. Consequently, any determination of income by area of operations or class of products is necessarily arbitrary because of the allocation and reallocation of costs, including Corporate costs, benefiting more than one division or product.

Substantially all of General Motors' products are marketed through retail dealers and through distributors and jobbers in the United States and Canada and through distributors and dealers overseas. To assist in the merchandising of General Motors' products, GMAC and its subsidiaries offer financial services and certain types of automobile insurance to dealers and customers.

Net sales, net income (loss), total and net assets and average number of employes in the U.S. and in locations outside the U.S. for 1982, 1981 and 1980 are summarized below. Net income (loss) is after provisions for deferred income taxes applicable to that portion of the undistributed earnings deemed to be not permanently invested, less available tax credits and deductions, and appropriate consolidating adjustments for the geographic areas set forth below. Interarea sales are made at negotiated selling prices.

1982	United States	Canada	Europe	Latin America	All Other	Total[1]
Net Sales:			(Dollars in Millions)			
Outside	$45,650.1	$2,621.9	$7,150.5	$2,699.5	$1,903.6	$60,025.6
Interarea	4,673.8	5,350.7	234.3	310.2	192.9	—
Total net sales	$50,323.9	$7,972.6	$7,384.8	$3,009.7	$2,096.5	$60,025.6
Net Income (Loss)	$ 1,079.3	($ 33.5)	$ 6.2	($ 16.5)	($ 63.2)	$ 962.7
Total Assets	$29,227.4	$2,299.0	$5,952.3	$2,973.3	$1,063.5	$41,397.8
Net Assets	$15,756.0	$ 774.7	$ 803.3	$ 894.3	$ 170.7	$18,287.1
Average Number of Employes (in thousands)	441	34	114	38	30	657

1981	United States	Canada	Europe	Latin America	All Other	Total[1]
Net Sales:						
Outside	$47,022.4	$4,099.2	$6,585.2	$2,730.0	$2,261.7	$62,698.5
Interarea	5,731.1	4,747.2	265.6	129.9	128.1	—
Total net sales	$52,753.5	$8,846.4	$6,850.8	$2,859.9	$2,389.8	$62,698.5
Net Income (Loss)	$ 763.3	($ 35.6)	($ 426.7)	($ 62.6)	$ 129.2	$ 333.4
Total Assets	$27,510.8	$2,772.8	$5,208.5	$2,642.8	$ 980.3	$38,979.0
Net Assets	$15,608.7	$ 832.6	$ 505.5	$ 640.7	$ 247.3	$17,721.1
Average Number of Employes (in thousands)	522	39	113	38	29	741

1980	United States	Canada	Europe	Latin America	All Other	Total[1]
Net Sales:						
Outside	$41,637.4	$4,218.0	$7,437.6	$2,448.4	$1,987.1	$57,728.5
Interarea	5,287.1	3,876.7	317.5	72.3	64.3	—
Total net sales	$46,924.5	$8,094.7	$7,755.1	$2,520.7	$2,051.4	$57,728.5
Net Income (Loss)	($ 71.9)	($ 20.3)	($ 559.3)	$ 42.9	($ 150.8)	($ 762.5)
Total Assets	$25,494.2	$1,891.0	$4,319.3	$1,953.2	$1,029.9	$34,581.0
Net Assets	$15,753.6	$ 791.9	$ 670.6	$ 528.8	$ 152.0	$17,814.6
Average Number of Employes (in thousands)	517	37	125	37	30	746

[1] After elimination of interarea transactions.

NOTE 14. Contingent Liabilities

There are various claims and pending actions against the Corporation and its subsidiaries with respect to commercial matters, including warranties and product liability, governmental regulations including environmental and safety matters, civil rights, patent matters, taxes and other matters arising out of the conduct of the business. Certain of these actions purport to be class actions, seeking damages in very large amounts. The amounts of liability on these claims and actions at December 31, 1982 were not determinable but, in the opinion of the management, the ultimate liability resulting will not materially affect the consolidated financial position or results of operations of the Corporation and its consolidated subsidiaries.

ACCOUNTANTS' REPORT

Deloitte Haskins+Sells

CERTIFIED PUBLIC ACCOUNTANTS

1114 Avenue of the Americas
New York, New York 10036

General Motors Corporation, its Directors and Stockholders:

February 7, 1983

We have examined the Consolidated Balance Sheet of General Motors Corporation and consolidated subsidiaries as of December 31, 1982 and 1981 and the related Statements of Consolidated Income and Changes in Consolidated Financial Position for each of the three years in the period ended December 31, 1982. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the companies at December 31, 1982 and 1981 and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins & Sells

ELECTRO-MOTIVE SD50 Diesel-electric Locomotive

Selected Quarterly Data (Dollars in Millions Except Per Share Amounts)

	1982 Quarters				1981 Quarters			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Net sales	$14,721.4	$17,144.6	$14,282.6	$13,877.0	$15,723.9	$18,015.1	$13,410.2	$15,549.3
Operating income (loss)	(7.4)	863.3	(53.6)	159.6	267.4	1,029.2	(959.5)	55.0
Income (loss) before income taxes	(259.7)	665.4	(236.8)	(146.1)	261.5	892.4	(1,155.8)	(136.2)
United States, foreign and other income taxes (credit)	(256.8)	236.3	(151.5)	(80.2)	130.8	446.2	(585.0)	(115.1)
Income (loss) after income taxes	(2.9)	429.1	(85.3)	(65.9)	130.7	446.2	(570.8)	(21.1)
Equity in earnings of nonconsolidated subsidiaries and associates	131.2	130.9	214.7	210.9	59.6	68.4	102.6	117.8
Net income (loss)	128.3	560.0	129.4	145.0	190.3	514.6	(468.2)	96.7
Dividends on preferred stocks	3.2	3.3	3.2	3.2	3.2	3.3	3.2	3.2
Earnings (loss) on common stock	$ 125.1	$ 556.7	$ 126.2	$ 141.8	$ 187.1	$ 511.3	($ 471.4)	$ 93.5
Average number of shares of common stock outstanding (in millions)	304.7	306.8	307.6	310.5	297.2	298.2	299.2	301.6
Earnings (loss) per share of common stock*	$0.41	$1.82	$0.41	$0.45	$0.63	$1.72	($1.59)	$0.31
Dividends per share of common stock	$0.60	$0.60	$0.60	$0.60	$0.60	$0.60	$0.60	$0.60
Stock price range**								
High	$41.38	$47.13	$50.13	$64.50	$56.13	$58.00	$53.13	$46.50
Low	$34.00	$40.13	$39.63	$46.25	$43.88	$51.38	$42.63	$33.88

*Includes favorable (unfavorable) effects on EPS of: early retirement of long-term debt of $0.16 in the second quarter of 1982 (included in other income); foreign exchange/translation activity [1982: first quarter—$0.83, second quarter—$0.25, third quarter—($0.07), fourth quarter—$0.05; 1981: first quarter—$0.19, second quarter—$0.45, third quarter—$0.64, fourth quarter—($0.53)]; and reductions in accruals due to salaried policy modifications in the fourth quarter of 1981—$0.25.

**The principal market is the New York Stock Exchange and prices are based on the Composite Tape. Common stock is also listed on the Midwest, Pacific and Philadelphia stock exchanges. As of December 31, 1982, there were 1,035,162 holders of record of common stock.

The net credits for income taxes in the 1982 quarters reflect the relatively low level of earnings combined with the favorable impact of U.S. investment tax credits. The effective income tax rate (credit) in the fourth quarter of 1981 was higher than would be expected as a result of the combination of the high level of U.S. investment tax credits and the low level of earnings.

Selected Financial Data (Dollars in Millions Except Per Share Amounts)	1982	1981	1980	1979	1978
Net sales	$60,025.6	$62,698.5	$57,728.5	$66,311.2	$63,221.1
Earnings (loss) on common stock	$ 949.8	$ 320.5	($ 775.4)	$ 2,879.8	$ 3,495.1
Dividends on common stock	737.3	717.6	861.2	1,520.3	1,712.6
Net income (loss) retained in the year	$ 212.5	($ 397.1)	($ 1,636.6)	$ 1,359.5	$ 1,782.5
Earnings (loss) on common stock—per share	$3.09	$1.07	($2.65)	$10.04	$12.24
Dividends on common stock—per share	2.40	2.40	2.95	5.30	6.00
Net income (loss) retained in the year—per share	$0.69	($1.33)	($5.60)	$ 4.74	$ 6.24
Average shares of common stock outstanding (in millions)	307.4	299.1	292.4	286.8	285.5
Dividends on capital stock as a percent of net income	77.9%	219.1%	N.A.	53.0%	49.2%
Expenditures for real estate, plants and equipment	$ 3,611.1	$ 6,563.3	$ 5,160.5	$ 3,351.3	$ 2,695.5
Expenditures for special tools	$ 2,601.0	$ 3,178.1	$ 2,600.0	$ 2,015.0	$ 1,826.7
Cash and marketable securities	$ 3,126.2	$ 1,320.7	$ 3,715.2	$ 2,986.4	$ 4,054.8
Working capital	$ 1,658.1	$ 1,158.8	$ 3,212.1	$ 6,751.0	$ 7,991.2
Total assets	$41,397.8	$38,979.0	$34,581.0	$32,215.8	$30,598.3
Long-term debt and capitalized leases	$ 4,745.1	$ 4,044.0	$ 2,058.3	$ 1,030.8	$ 1,124.5

Inflation remains the nemesis of the orderly conduct of business. Its adverse ramifications are dramatized when the effects of inflation are taken into account in the evaluation of comparative financial results.

The accompanying Schedules display the basic historical cost financial data adjusted for general inflation (constant dollar) and also for changes in specific prices (current cost) for use in such evaluation. The Schedules are intended to help readers of financial data assess results in the following specific areas:

a. The erosion of general purchasing power,
b. Enterprise performance,
c. The erosion of operating capability, and
d. Future cash flows.

In reviewing these Schedules, the following comments may be of assistance in understanding the reasons for the different "income" amounts and the uses of the data.

Financial statements—historical cost method

The objective of financial statements, and the primary purpose of accounting, is to furnish, to the fullest extent practicable, objective, quantifiable summaries of the results of financial transactions to those who need or wish to judge management's ability to manage. The data are prepared by management and audited by the independent public accountants.

The present accounting system in general use in the United States and the financial statements prepared by major companies from that system were never intended to be measures of relative economic value, but instead are basically a history of transactions which have occurred and by which current and potential investors and creditors can evaluate their expectations. There are many subjective, analytical, and economic factors which must be taken into consideration when evaluating a company. Those factors cannot be quantified objectively. Just as the financial statements cannot present in reasonable, objective, quantifiable form all of the data necessary to evaluate a business, they also should not be expected to furnish all the data needed to evaluate the effects of inflation on a company.

Data adjusted for general inflation—constant dollar method

Financial reporting is, of necessity, stated in dollars. It is generally recognized that the purchasing power of a dollar has deteriorated in recent years, and the costs of raw materials and other items as well as wage rates have increased and can be expected to increase further in the future. It is not as generally recognized, however, that profit dollars also are subject to the same degree of reduction in purchasing power. Far too much attention is given to the absolute level of profits rather than the relationship of profits to other factors in the business and to the general price level. For example, as shown in Schedule A, adjusting the annual amount of sales and net income (loss) to a constant 1967 dollar base, using the U.S. Bureau of Labor Statistics' Consumer Price Index for Urban Consumers (CPI-U), demonstrates that constant dollar profits have not changed in recent years in line with the changes in sales volume. This is reflected in the general decline in the net income (loss) as a percent of sales over that period as well as the decrease in the dividends paid in terms of constant dollars of purchasing power.

The constant dollar income statement contains only two basic adjustments. Most importantly, the provision for depreciation and amortization is recalculated. Historical dollar accounting understates the economic cost of property (including special tools) consumed in production because the depreciation and amortization charges are based on the original dollar cost of assets acquired over a period of years. Constant dollar depreciation and amortization restates such expense based on asset values adjusted to reflect increases in the CPI-U subsequent to acquisition or construction of the related property. In addition to recalculating depreciation and amortization expense, cost of sales is adjusted to reflect changes in the CPI-U for the portion of inventories not stated on the last-in, first-out (LIFO) basis in the conventional financial statements. Other items of income and expense are not adjusted because they generally reflect transactions that took place in 1982 and, therefore, were recorded in average 1982 dollars.

Data adjusted for changes in specific prices—current cost method

Another manner in which to analyze the effects of inflation on financial data (and thus the business) is by adjusting the historical cost data to the current costs for the major balance sheet items which have been accumulated through the accounting system over a period of years and which thus reflect different prices for the same commodities and services.

The purpose of this type of restatement is to furnish estimates of the effects of price increases for replacement of inventories and property on the potential future net income of the business and thus assess the probability of future cash flows. Although these data may be useful for this purpose, they do not reflect specific plans for the replacement of property. A more meaningful estimate of the effects of such costs on future earnings is the estimated level of future capital expenditures which is set forth on page 16 in the Financial Review: Management's Discussion and Analysis.

Summary

In the accompanying Schedules, the effects of the application of the preceding methods on the last five years' and the current year's operations are summarized. Under both the constant dollar and the current cost methods, the net income of General Motors is lower (or the net loss is higher) than that determined under the historical cost method. This means that business, as well as individuals, is affected by inflation and that the purchasing power of business dollars also has declined. In addition, the costs of maintaining the productive capacity, as reflected in the current cost data (and estimate of future capital expenditures), have increased, and thus management must seek ways to cope with the effects of inflation through accounting methods such as the LIFO method of inventory valuation, which matches current costs with current revenues, and through accelerated methods of depreciation.

Another significant adjustment is the restatement of stockholders' equity—the investment base. The adjustment for general inflation puts all the expenditures for these items on a consistent purchasing power basis—the average 1967 dollar. This adjustment decreases the historical stockholders' equity, as represented by net assets in Schedule A, of about $18.3 billion at December 31, 1982 to a constant dollar basis of $10.1 billion. In other words, the $18.3 billion represented in the financial statements has only $10.1 billion of purchasing power expressed in 1967 dollars. The net assets adjusted for specific prices, as shown in Schedule A, amounted to $9.8 billion at December 31, 1982. This is $0.3 billion lower than that shown on a constant dollar basis due to the fact that the CPI-U index is not accelerating as rapidly as the indices of specific prices applicable to General Motors.

Finally, it must be emphasized that there is a continuing need for national monetary and fiscal policies designed to control inflation and to provide adequate capital for future business growth which, in turn, will mean increased productivity and employment.

SCHEDULE A

Comparison of Selected Data Adjusted for Effects of Changing Prices

(Dollars in Millions Except Per Share Amounts)

Historical cost data adjusted for general inflation (constant dollar) and changes in specific prices (current cost). (A)

	1982	1981	1980	1979	1978
Net Sales—as reported	$60,025.6	$62,698.5	$57,728.5	$66,311.2	$63,221.1
—in constant 1967 dollars	20,762.9	23,017.1	23,390.8	30,501.9	32,354.7
Net Income (Loss)—as reported	$ 962.7	$ 333.4	($ 762.5)	$ 2,892.7	$ 3,508.0
—in constant 1967 dollars	(38.9)(B)	(305.8)	(1,023.8)	817.0	1,384.5
—in current cost 1967 dollars	71.7 (B)	(252.8)	(829.5)	829.5	
Earnings (Loss) per share of common stock					
—as reported	$3.09	$1.07	($2.65)	$10.04	$12.24
—in constant 1967 dollars	(0.14)(B)	(1.04)	(3.52)	2.83	4.83
—in current cost 1967 dollars	0.22 (B)	(0.86)	(2.86)	2.87	
Dividends per share of common stock—as reported	$2.40	$2.40	$2.95	$5.30	$6.00
—in constant 1967 dollars	0.83	0.88	1.20	2.44	3.07
Net income (loss) as a percent of sales					
—as reported	1.6%	0.5%	(1.3%)	4.4%	5.5%
—in constant 1967 dollars	(0.2)	(1.3)	(4.4)	2.7	4.3
—in current cost 1967 dollars	0.3	(1.1)	(3.5)	2.7	
Net income (loss) as a percent of stockholders' equity					
—as reported	5.3%	1.9%	(4.3%)	15.1%	20.0%
—in constant 1967 dollars	(0.4)	(3.0)	(9.4)	6.7	11.2
—in current cost 1967 dollars	0.7	(2.4)	(7.3)	6.4	
Net assets at year-end—as reported	$18,287.1	$17,721.1	$17,814.6	$19,179.3	$17,569.9
—in constant 1967 dollars	10,153.9	10,247.2	10,887.6	12,163.4	12,351.3
—in current cost 1967 dollars	9,818.3	10,450.9	11,377.2	12,982.7	
Unrealized gain from decline in purchasing power of dollars of net amounts owed	$ 130.5	$ 241.3	$ 182.3	$ 83.8	
Excess of increase in general price level over increase in specific prices of inventory and property	$ 861.2	$ 619.0	$ 689.2	$ 221.8	
Market price per common share at year-end					
—unadjusted	$62.38	$38.50	$45.00	$50.00	$53.75
—in constant 1967 dollars	21.58	14.13	18.23	23.00	27.51
Average Consumer Price Index	289.1	272.4	246.8	217.4	195.4

(A) Adjusted data have been determined by applying the Consumer Price Index —Urban to the data with 1967 (CPI-100) as the base year. Depreciation has been determined on a straight-line basis for this calculation.

(B) These amounts will differ from those shown for constant dollar and current cost in Schedule B because a different base year (1982) has been used in Schedule B in order to illustrate the effect of changing prices in an alternative form.

SCHEDULE B

Schedule of Income Adjusted for Changing Prices

For the Year Ended December 31, 1982

(Dollars in Millions Except Per Share Amounts)

	As Reported in the Financial Statements (Historical Cost)	Adjusted for General Inflation (1982 Constant Dollar)	Adjusted for Changes in Specific Prices (1982 Current Cost)
Net Sales	$60,025.6	$60,025.6	$60,025.6
Cost of sales	51,548.3	52,339.7	51,915.1
Depreciation and amortization expense	4,550.5	4,833.5	4,939.1
Other operating and nonoperating items—net	3,216.3	3,216.3	3,216.3
United States and other income taxes (credit)	(252.2)	(252.2)	(252.2)
Total costs and expenses	59,062.9	60,137.3	59,818.3
Net Income (Loss)	$ 962.7	($ 111.7)(A)	$ 207.3(A)
Earnings (Loss) per share of common stock	$3.09	($0.41)(A)	$0.63(A)
Unrealized gain from decline in purchasing power of dollars of net amounts owed		$ 377.4	$ 377.4
Excess of increase in general price level over increase in specific prices of inventory and property			$ 2,490.1(B)

(A) These amounts will differ from those shown for constant dollar and current cost in Schedule A because a different base year (1967) has been used in Schedule A in order to illustrate the effect of changing prices in an alternative form.

(B) At December 31, 1982, current cost of inventory was $8,070.2 million and current cost of property (including special tools), net of accumulated depreciation and amortization, was $29,750.1 million. The current cost of property owned and the related depreciation and amortization expense were calculated by applying (1) selected producer price indices to historical book values of machinery and equipment and (2) the Marshall Valuation Service index to buildings, and the use of assessed values for land.

COMMITTEES OF THE BOARD

THE FINANCE COMMITTEE includes both employe and non-employe Directors and is responsible for the determination of financial policies and the management of financial affairs including matters such as capital requirements and dividend recommendations to the Board.

ROGER B. SMITH
Chairman
JOHN T. CONNOR
WALTER A. FALLON
CHARLES T. FISHER, III
ROBERT S. HATFIELD
HOWARD H. KEHRL
F. JAMES McDONALD
THOMAS A. MURPHY
ELLMORE C. PATTERSON
EDMUND T. PRATT, JR.
F. ALAN SMITH

THE EXECUTIVE COMMITTEE is composed entirely of employe Directors and is responsible for determining operating policies, including product plans and the need for capital expenditures.

F. JAMES McDONALD
Chairman
REUBEN R. JENSEN
HOWARD H. KEHRL
F. ALAN SMITH
ROGER B. SMITH

THE AUDIT COMMITTEE, composed entirely of non-employe Directors, selects the independent public accountants annually in advance of the Annual Meeting of Stockholders and submits the selection for ratification at the Meeting. In addition, the Committee reviews the scope and results of the audits, the accounting principles being applied, the effectiveness of the internal controls, and, in its oversight role, assures that management fulfills its responsibilities in the preparation of the financial statements.

JOHN D. deBUTTS
Chairman
ANNE L. ARMSTRONG
JAMES H. EVANS
MARVIN L. GOLDBERGER
JOHN J. HORAN
W. EARLE McLAUGHLIN
LEON H. SULLIVAN
CHARLES H. TOWNES

THE PUBLIC POLICY COMMITTEE, composed entirely of non-employe Directors, inquires into every phase of Corporate activities that relate to public policy and makes appropriate recommendations to management or the full Board.

CATHERINE B. CLEARY
Chairman
ANNE L. ARMSTRONG
JOHN D. deBUTTS
MARVIN L. GOLDBERGER
EDMUND T. PRATT, JR.
LEON H. SULLIVAN
CHARLES H. TOWNES

THE BONUS AND SALARY COMMITTEE, composed entirely of non-employe Directors, reviews executive compensation plans and benefit programs and determines compensation of Corporate officers and other members of the management group.

JOHN T. CONNOR
Chairman
JAMES H. EVANS
WALTER A. FALLON
CHARLES T. FISHER, III
ROBERT S. HATFIELD
RAYMOND H. HERZOG
THOMAS A. MURPHY
ELLMORE C. PATTERSON

THE NOMINATING COMMITTEE, composed entirely of non-employe Directors, conducts continuing studies of the size and composition of the Board of Directors and recommends candidates for membership.

WALTER A. FALLON
Chairman
CATHERINE B. CLEARY
JOHN T. CONNOR
JOHN D. deBUTTS
CHARLES T. FISHER, III
ROBERT S. HATFIELD
ELLMORE C. PATTERSON

ANNE L. ARMSTRONG
Former U.S. Ambassador to Great Britain
Director—6 Years

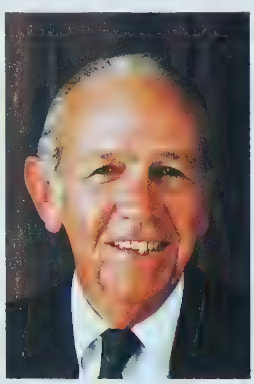
CATHERINE B. CLEARY
Former Chairman of the Board, First Wisconsin Trust Company
(Trust Services)
Director—10 Years

JOHN T. CONNOR
Chairman of the Board, Schroders Incorporated
(Banking)
Director—17 Years

ROBERT S. HATFIELD
Former Chairman of the Board, The Continental Group, Inc.
(Packaging Products)
Director—9 Years

RAYMOND H. HERZOG
Former Chairman of the Board, Minnesota Mining and Manufacturing Company
(Household and Industrial Products)
Director—5 Years

JOHN J. HORAN
Chairman of the Board, Merck & Co., Inc.
(Health Products)
Director—3 Years

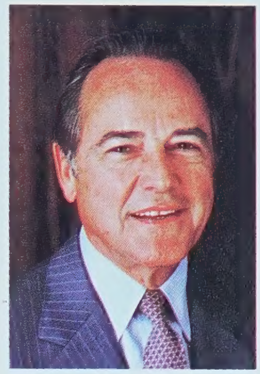


ELLMORE C. PATTERSON
Former Chairman of the Board, Morgan Guaranty Trust Company of New York
(Banking)
Director—9 Years

EDMUND T. PRATT, JR.
Chairman of the Board, Pfizer Inc.
(Pharmaceutical Products, Cosmetics, and Chemicals)
Director—6 Years

JOHN G. SMALE
President, The Procter & Gamble Company
(Household and Industrial Products)
Director—1 Year

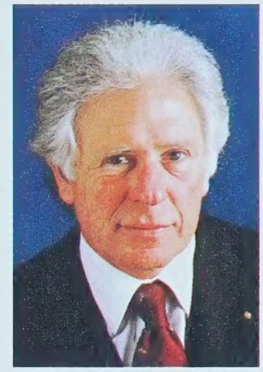
JOHN D. deBUTTS
Former Chairman of the Board, American Telephone and Telegraph Company (Communications)
Director—7 Years



JAMES H. EVANS
Chairman of the Board, Union Pacific Corporation (Transportation, Energy, and Natural Resources)
Director—3 Years

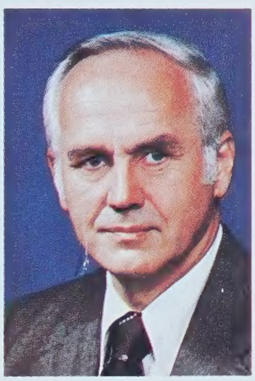
WALTER A. FALLON
Chairman of the Board, Eastman Kodak Company (Photographic Equipment, Chemicals, and Fibers)
Director—10 Years

CHARLES T. FISHER, III
Chairman and President, NBD Bancorp Inc. (Banking)
Director—11 Years

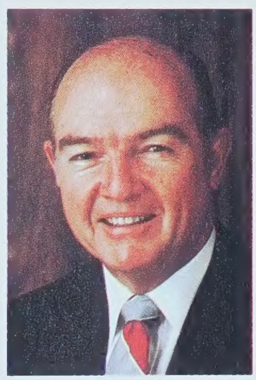


MARVIN L. GOLDBERGER
President, California Institute of Technology (Education)
Director—2 Years

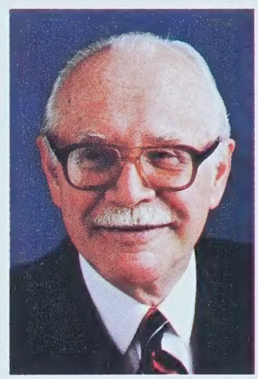
REUBEN R. JENSEN
Executive Vice President, Truck & Bus, Power Products, and Components Operations
Service—37 Years
Director—8 Years



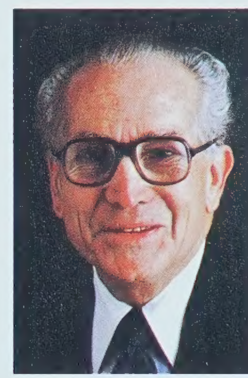
HOWARD H. KEHRL
Vice Chairman, Board of Directors
Service—35 Years
Director—8 Years



F. JAMES McDONALD
President and Chief Operating Officer
Service—42 Years
Director—8 Years



W. EARLE McLAUGHLIN
Former Chairman of the Board, The Royal Bank of Canada (Banking)
Director—16 Years



THOMAS A. MURPHY
Former Chairman, Board of Directors
Director—11 Years

F. ALAN SMITH
Executive Vice President, Finance
Service—27 Years
Director—2 Years

ROGER B. SMITH
Chairman, Board of Directors and Chief Executive Officer
Service—34 Years
Director—8 Years

LEON H. SULLIVAN
Pastor, Zion Baptist Church of Philadelphia
Director—12 Years

CHARLES H. TOWNES
Professor, University of California (Physics)
Director—9 Years

OFFICERS

ROGER B. SMITH
Chairman and Chief
Executive Officer

F. JAMES McDONALD
President and Chief
Operating Officer

HOWARD H. KEHRL
Vice Chairman

EXECUTIVE VICE PRESIDENTS

REUBEN R. JENSEN

F. ALAN SMITH

VICE PRESIDENTS AND GROUP EXECUTIVES

DONALD J. ATWOOD
Truck & Bus Group

DAVID C. COLLIER
Operating Staffs Group

ALEXANDER A. CUNNINGHAM
Body and Assembly Group

EDWARD P. CZAPOR
Electrical Components Group

ALEX C. MAIR
Technical Staffs Group

DONALD H. McPHERSON
North American Car Group

PAUL D. PENDER
Mechanical Components Group

DAVID S. POTTER
Public Affairs Staffs Group

JAMES F. WATERS, JR.
Overseas Group

VICE PRESIDENTS

BETSY ANCKER-JOHNSON
Environmental Activities Staff

JOHN F. BECK
North American Vehicles Overseas

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Managing Director
Adam Opel AG

ROBERT D. BURGER
General Manager
Cadillac Motor Car Division

CHARLES S. CHAPMAN
Managing Director
General Motors-Holden's Limited

PATRICK J. COLETTA
General Manager
GM Assembly Division

ROBERT J. COOK
General Manager
Oldsmobile Division

ROBERT W. DECKER
Quality and Reliability

ROBERT J. EATON
Advanced Product and
Manufacturing Engineering Staff

JOHN R. EDMAN
Financial Staff

ROBERT A. FROSCH
Research Laboratories

DONALD E. HACKWORTH
President and General Manager
General Motors of
Canada Limited

PETER K. HOGLUND
General Manager
Electro-Motive Division

F. J. McDONALD R. R. JENSEN R. B. SMITH F. A. SMITH H. H. KEHRL
EXECUTIVE COMMITTEE

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Don Juan Carlos I, King of Spain (right), and GM Chairman Roger B. Smith tour the GM Espana plant at Figueruelas (near Zaragoza) as part of the dedication ceremonies on November 5, 1982. When in full operation, the new plant will be able to produce 270,000 Opel Corsas annually.

GM do BRASIL CHEVROLET MONZA SL/E


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PRINTED IN U.S.A.

General Motors Corporation
Detroit, Michigan 48202

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